CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

WILLIE L. BROWN, JR., MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
SAN FRANCISCO PLANNING COMMISSION
SPECIAL JOINT MEETING AGENDA

October 2, 2003 12:30 P.M.

Board of Supervisors Legislative Chambers, City Hall
1 Dr. Carlton B. Goodlett Place

Willie L. Brown, Jr., Mayor

DIRECTORS

Claudine Cheng, Chair
William Fazande, Vice-Chair
John Elberling
Gerald Green
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

JOINT PUBLIC HEARING BY THE TREASURE ISLAND DEVELOPMENT AUTHORITY AND THE SAN FRANCISCO PLANNING COMMISSION ON THE DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR).

Notice is hereby given that a Special Meeting of the Treasure Island Development Authority will be held in the Board of Supervisors' Legislative Chambers, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California at 12:30 p.m. on Thursday, October 2nd, 2003, for the purpose of holding a Joint Public Meeting with the San Francisco Planning Commission to hear public comment on the Draft Environmental Impact Report for the transfer and reuse of former Naval Station Treasure Island. (*Discussion Item, No Action Required*)

The DEIR evaluates the potential environmental impacts of the reuse of most of Naval Station Treasure Island (NSTI) following transfer from the U.S. Navy. NSTI includes both Yerba Buena Island and Treasure Island, located in Central San Francisco Bay, within the jurisdictional boundaries of the City and County of San Francisco. The proposed project is the Reuse Plan for NSTI (1996), which includes a variety of public oriented uses such as an expanded marina in Clipper Cove, sports fields, a film production center, conference center, hotels, a themed attraction, educational and child care facilities, a fire fighter training school, public open space,

and up to 2,800 housing units. The Navy has published a separate Final Environmental Impact Statement evaluating the potential environmental effects of the disposal and reuse of NSTI to comply with Federal requirements.

Note: The deadline for written comments to be submitted to the Planning Department offices has been extended until 5:00 pm on October 21, 2003.

Pursuant to Government Code Section 65009, if you challenge, in court, (1) the adoption or amendment of a general plan, (2) the adoption or amendment of a zoning ordinance, (3) the adoption or amendment of any regulation attached to a specific plan, (4) the adoption, amendment or modification of a development agreement, or (5) the approval of a variance, conditional-use authorization, or any permit, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission, at, or prior to, the public hearing.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

Disability Access

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Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

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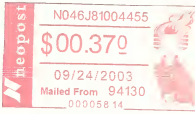
Treasure Island Development Authority
410 Palm Avenue, Building 1, 2nd Floor
Treasure Island
San Francisco, CA 94130



Ms. Susan Hom
Government Info Center
Main Library
100 Larkin St.
San Francisco CA 94102

The regular meetings of the Treasure Island Development Authority are held the 2nd Wednesday of each month at 1:30 p.m. in Hearing Room 400 in City Hall, 1 Dr. Carlton B. Goodlett Place. The next regular meeting is Wednesday, October 8, 2003.

A binder of supporting material is available for public viewing at the Treasure Island Development Authority office, 410 Palm Avenue, on Treasure Island and at the Government Information Center reference desk, Main Library, Civic Center.

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WILLIE L. BROWN, JR., MAYOR

DRAFT Minutes of Joint Meeting
Treasure Island Development Authority
San Francisco Planning Commission
October 2, 2003

Board of Supervisors Legislative Chambers
City Hall, 1 Carlton B. Goodlett Place
San Francisco, CA

Call to order: 1:35 PM

Roll Call: Treasure Island Development Authority
Present: Claudine Cheng (Chair)
William Fazande (Vice-Chair)
John Elberling
Susan Po-Rufino

Excused: Gerald Green
Marcia Rosen
Douglas Wong

Roll Call: San Francisco Planning Commission
Present: Shelly Bradford-Bell (President)
Michael Antonini (Vice President)
Edgar Boyd
William Lee
Sue Lee
Lisa Feldstein
Kevin Hughes

Mr. Rick Cooper, of San Francisco Planning Department staff, spoke regarding the draft Environmental Impact Report for Treasure Island and Yerba Buena Island. Stated that the DEIR, which has two lead agencies, Planning Department and the Treasure Island Development Authority, evaluates the potential environmental impacts of the reuse of most of Naval Station Treasure Island. Also stated that that pursuant to several requests the deadline for written comments on the DEIR has been extended by the environmental review officer, Paul Maltzer. Comments accepted at the Planning Department until the close of business on October 21, 2003, which is a 15-day extension of the written comment period beyond the date advertised and as printed on the cover of the document.

Treasure Island Development Authority Executive Director Annemarie Conroy spoke regarding the hearing. Thanked Planning Commission members for attending and thanked Planning Department staff for all their hard work on this project.

Mr. Stephen Proud, TIDA Deputy Director, stated that it is important to note that this document started out as a joint document. It was an EIS/EIR that was being prepared by the United States Navy to support the transfer of formal Naval Station Treasure Island. For a variety of reasons, the document was separated into an EIS to satisfy the NEPA requirements and the EIR to satisfy CEQA requirements.

Commission Chair Cheng and President Bradford-Bell stated that the Commissions would now hear public comment on the document.

Ms. Karen Knowles-Pearce, Chair of the Treasure Island/Yerba Buena Island Citizens Advisory Board (CAB), spoke regarding the Draft EIR and presented the CAB's comments. The CAB was concerned with the habitat of the American Paragreen Falcons that live on Treasure Island and how development in and around Clipper Cove will impact their habitat.

The second concern of the CAB was that language be added that indicates that pedestrian and bicycle facilities provided will be incorporated with the Department of Parking and Traffic Bicycle Plan. The third issue was that language regarding Tidelands Trust be strengthened to make sure that land was not able to be sold, whether it was to private or public interests.

Ms. Knowles-Pearce continued that the CAB also had concerns regarding lateral spreading and liquefaction on the Island in the event of an earthquake, traffic impact getting on and off the Island, especially the condition of on and off-ramps, and the lack of an existing plan for ferry to Treasure Island. Also stated the CAB had questions about lack of bus service to Treasure Island from the East Bay.

Ms. Susan Boyan, of the Alliance for a Better District Six, commented on the Draft EIR. Stated that Treasure Island is in District Six, and they are concerned about the health of Treasure Island residents during construction, and asked what is being done to help deal with air quality and other toxic effects. Ms. Boyan also stated that the group would like to see strict adherence to mitigation standards, and asked if current environmental guidelines re-written by the current Presidential Administration would be adhered to at the expense of more stringent past guidelines. Also stated concern about being a single access point on and off the Islands.

Ms. Eve Bach, of Arc Ecology spoke regarding the draft EIR. Stated she is concerned that, in her view, the EIR will be used for a redevelopment plan which will be the only Planning document for Treasure Island. Stated she feels that the EIR is not properly describing the project and makes many assumptions about goals and policies of the reuse plan. Also stated her concern that there is no thorough review of the Marina project in the document and that this is a major flaw in the EIR document.

There was no more public comment

President Bradford-Bell closed public comment

Commissioner Cheng asked if the TIDA Commissioners had any comments for staff.

Commissioner Elberling stated that upon reviewing the parts of the EIR that dealt with the Bay Bridge, he came away with a lot more questions than answers. Stated he was perplexed how the report stated that the peak commute time load on the Bridge had decreased 10 percent in the last ten years, when it seemed intuitive that the opposite was true and there are actually more acrs on the Bay Bridge these days. Stated that as a follow-up, there is also no discussion of the traffic impact on the approaches to the Bridge. Stated that there needs to be a discussion of the reality of the approaches and how that's changed over the last 10 years, not just the bridge only, and also a study of the possibility that "peak hours" for Bridge traffic are perhaps longer than they were ten years ago.

There were no more comments from TIDA Commissioners.

President Bradford-Bell asked if the Planning Commissioners had any comments for staff.

Vice-President Antonini stated that he would like to se more discussion of the impact of traffic on the new Eastern span of the Bay Bridge. Also asked for more discussion about potential plans for a possible second BART tube from the Transbay Transit Terminal to the East Bay in the future that may necessitate a BART stop on Treasure Island.

Commissioner William Lee stated that the EIR needed to go into more detail about the geology of Treasure and Yerba Buena Islands and how this relates to the stablilty of Treasure Island in the event of an earthquake. Also stated that he would like to see more discussion of necessary material mitigation, especially lead paint. Stated he would like to see more discussion about mitigation of underground pools and storage tanks already on Treasure Island.

Commissioner Hughes stated he agreed with the CAB's comments and would like to see review of the impact on the Pregrin Falcons if there isn't already. Encouraged staff to take a closer look at coordinating transit service to the East Bay, as well as take a closer look at the impact on the bridge approaches, as mentioned earlier.

There were no more comments from the Planning Commission

President Bradford-Bell asked what the next steps were in this process.

Mr. Cooper, of the Planning Department, stated that the public comment period will run until October 21. Following receiving all the comments, Planning Department staff will then produce a document that includes all comments, both at this hearing and in writing, and responses to each of those. At that time, Planning staff will then publish the document and bring it back before the Commissions for review and consideration, and at that time the Commissions will be asked to certify the document as complete.

President Bradford-Bell adjopurned the hearing on behalf of the San Francisco Planning Commisison

Commission Chair Cheng adjourned the meeting on behalf of the Treasure Island Development Authority

The meeting was adjourned at 1:10 pm.

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WILLIE L. BROWN, JR., MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA
October 8, 2003 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton Goodlett Place

Willie L. Brown, Jr., Mayor

DIRECTORS

Claudine Cheng, Chair
William Fazande, Vice-Chair
John Elberling
Gerald Green
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes *(Action Item)*
3. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
4. Communications (*Discussion Item*)
5. Ongoing Business by Directors (*Discussion Item*)

6. General Public Comment (*Discussion Item*) ******In addition to General Public Comment, (Item #6), Public Comment will be held during each item on the agenda.******
7. Resolution Authorizing the Execution of a Modification to the Cooperative Agreement with The United States Navy to Extend the Agreement for the Period October 1, 2003 through September 30, 2004. (*Action Item*)
8. Resolution Authorizing the Executive Director to Extend the Term of the Sublease for Building 62 with W. Wong Construction Company on a Month-to-Month Basis for a Period Not to Surpass October 15, 2004. (*Action Item*)
9. Resolution Authorizing the Executive Director to Execute a Sublease with the San Francisco Cup Class, LLC (SFCC) for a Portion of Pier 1 at the South Waterfront Area of Treasure Island. (*Action Item*)
10. Discussion of Future Agenda Items by Directors (*Discussion Item*)
11. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

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Notes

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Ms. K. E. Knowles-Pearce
Chair, Treasure Island/Yerba Buena Island Citizens' Advisory Board
Mayor's Office, Treasure Island
410 Avenue of the Palms
San Francisco, CA 94130

29-September-2003

Mr. Paul Maltzer
Environmental Review Officer
San Francisco Planning Department
1660 Mission Street, Suite 500
San Francisco, CA 94103

Dear Mr. Maltzer:

On behalf of the members of the Treasure Island/Yerba Buena Island Citizens' Advisory Board (CAB) I'd like to thank you for granting our request for a 15-day extension of Public Comments for the Treasure Island/Yerba Buena Island Draft Environmental Impact Report (DEIR) from 45 to 60 days, extending the public comment period to 21-October-2003 .

The short extension gives the CAB a much greater opportunity to review, discuss the DEIR in greater detail, and submit more substantive comments to you by 21-October.

I appreciate your acknowledgement of the receipt of all requests for an extension, and, again the CAB appreciates your, and your staff's, efforts.

Sincerely,

KEK-P

Karen Knowles-Pearce
Chair, Treasure Island/Yerba Buena Island Citizens' Advisory Board

Cc: ✓Annemarie Conroy, Executive Director, Treasure Island Development Authority
Claudine Cheng, Chair, Treasure Island Development Authority

ETHICS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

To: City Boards and Commissions

From: Ginny Vida G. V.
Executive Director

Re: Agenda Notice Regarding the San Francisco Lobbyist Ordinance

Date: September 4, 2003

In 1997 and 2001, the San Francisco Ethics Commission asked City boards and commissions to place on their agendas a notice regarding the obligation of lobbyists to register with the Commission. We are now renewing this request. Please place the following separate notice below the "*Know Your Rights Under the Sunshine Ordinance*" language on your meeting agendas:

> **Lobbyist Registration and Reporting Requirements**
> Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code § 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site: sfgov.org/ethics.

For those boards and commissions that already include this notice on their agendas, please be advised that the Commission's address has changed. *Please make sure the notice reflects the information listed above.*

If you have any questions, please contact Shannon Hardin at (415) 581-2300.

Thank you for your assistance.

S:\Lobbyists\Correspond\2003\lob ord notice on agenda.doc

30 Van Ness Avenue, Suite 3900 • San Francisco, CA 94102-6027• Phone (415) 581-2300 • Fax (415) 581-2317
E-Mail Address: ethics.commission@sfgov.org Web site: sfgov.org/ethics

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

DENNIS J. HERRERA
City Attorney

MEMORANDUM

TO: All Elected Officials
All Board and Commission Members
All Department Heads

FROM: Dennis J. Herrera
City Attorney

DATE: August 25, 2003

RE: Political Activities By City Officers and Employees

As the November election approaches, the City Attorney's Office would like to take the opportunity to remind City officers and employees of the laws that restrict their use of City resources for political activities. To this end, I am forwarding to you materials outlining the basic rules and principles, which you may share with your employees. The materials are intended as a general guide and are not a substitute for legal advice. Please contact the City Attorney's Office with any questions related to these materials or participation in political activities.

CITY HALL · 1 DR. CARLTON B. GOODLETT PLACE, SUITE # 234 · SAN FRANCISCO, CALIFORNIA 94102-0917
RECEPTION: (415) 554-4700 · FACSIMILE: (415) 554-4745

PROHIBITION ON POLITICAL ACTIVITY BY CITY OFFICERS AND EMPLOYEES

Misuse of City Resources and Personnel

State law prohibits government employees from using City resources to support or oppose a ballot measure or the election or defeat of a candidate at the federal, state, or local level. Local law also prohibits City officers and employees from engaging in political activity during working hours or on City premises.

- **What is a misuse of City resources?**

Any use of City resources or personnel for political activity is prohibited. There is no de minimis exception. This ban prohibits any use for political purposes of telephones, copiers, fax machines, computers, office supplies or any other City resources. City personnel's time and attention may not be diverted from their City duties. Addressing envelopes, circulating petitions, making telephone calls, or engaging in similar types of campaign activity on City time is prohibited.

- **May a Board or Commission take a position on a ballot measure?**

The prohibition on use of City resources for political activity also means that City officers and employees may not use their official positions to influence elections. Thus, boards or commissions may not vote to endorse a measure or a candidate. Nor may City officials distribute campaign literature at City events or include campaign literature in official mailings to employees or members of the public.

- **May City officers and employees analyze a ballot measure's effects?**

City officers and employees may lawfully use City resources (where budgeted for such a purpose) to investigate and evaluate objectively the potential impact of a ballot measure on City operations. The analysis may be made available to the public.

- **May City officers and employees respond to inquiries about a measure?**

City officers and employees may respond to public requests for information, including requests to participate in public discussions about ballot measures, if the officer's or employee's statements are limited to an *accurate, fair, and impartial* presentation of relevant facts to aid the voters in reaching an informed judgment regarding the measure.

- **What is an objective and impartial presentation?**

Courts will evaluate materials prepared or distributed by a public entity in terms of whether they make a balanced presentation of facts designed to enhance the ability of the voters intelligently to exercise their right to vote, or whether the communications promote a particular position for or against a ballot measure. City officers and employees who are considering providing the public with an informational presentation regarding a ballot measure should consult in advance with the City Attorney's office.

- **What are the penalties for violating the law?**

Courts may impose considerable penalties for violation of these laws. Under State law, misappropriating public funds is a felony punishable by imprisonment and a ban on holding public office in the State. Under local law, use of City funds for political

or election activities also may be deemed official misconduct that justifies removal of a public officer, or cause to fire a public employee. The conduct of City officers and employees also may risk liability for the City. For example, the Fair Political Practices Commission ("FPPC") fined the County of Sacramento $10,000 for failing to report the use of public funds to prepare and distribute pamphlets on pending ballot measures.

Off-Duty Political Activities By City Officers and Employees

City officers and employees have a First Amendment right to engage in political activities while off duty. As a general rule, officers and employees may take a public position, as private citizens, on an electoral race or a ballot measure. Federal law imposes some restrictions on the political activities of local employees whose principal employment is in connection with federally funded activity. San Francisco also restricts the political activities of certain officers and employees, including the Ethics and Election Commissions and their employees, and the City Attorney.

Both State and local laws prohibit City officers and employees from engaging in the following political activities at any time:

- **Soliciting of campaign contributions from City employees**

City officers and employees may not directly or indirectly solicit funds from other City officers or employees or from persons on City employment lists. This prohibition does not preclude a City officer or employee from requesting political contributions from other City officers or employees if the request is part of a solicitation made to a significant segment of the public that may include officers or employees of the City.

- **Engaging in political activities while in uniform or on City premises**

City officers and employees may not participate in political activities of any kind while in uniform.

OTHER ELECTION RELATED LAWS

The following laws frequently present questions during an election period:

Mass Mailings at Public Expense

In addition to the general prohibition against using public resources or personnel to engage in political activity, City officers and employees are prohibited from sending at public expense, non-political newsletters or mass mailings that feature or make reference to an elected official. A non-political newsletter or mass mailing is prohibited if all of the following four requirements are met:

- **Sent or delivered.** The item is sent or delivered by any means to the recipient at his or her residence, place of employment of business, or post office box.
- **Features an elected official**. The item sent either features an elected officer affiliated with the agency that produces or sends the mailing, or includes the name, office, photograph, or other reference to an elected officer affiliated with the agency that produces or sends the mailing, and is prepared or sent in cooperation, consultation, coordination, or concert with the elected officer.
- **Paid for with public funds.** Any of the cost of distribution is paid for with public moneys or costs of design, production, and printing exceeding $50 are paid

with public money, and the design, production, or printing is done with the intent of sending the item other than as permitted by this regulation.

- **More than 200 items in a single month.** More than 200 substantially similar items are sent in a single calendar month.

Taken literally, this prohibition would preclude any large mailing at public expense, including many mailings essential to the operation of government, such as tax notices, sample ballots, and meeting agendas. To avoid this result, the FPPC has promulgated clarifying regulations that exempt certain types of mailings. For example, the prohibition does not apply to press releases and intra-office communications. Please check with the City Attorney's office if you have any questions about the mass mailing rule.

Campaign Contributions

As a general rule, the receipt of campaign contributions is not the basis for disqualification from a government decision. One exception to this general rule is Government Code § 84308, which restricts the ability of members of appointed boards and commissions to seek political contributions from participants in certain proceedings. Section 84308 includes two separate prohibitions: (1) a restriction on seeking campaign contributions from participants in proceedings before the board or commission; and (2) a restriction on making decisions affecting a source of campaign contributions in the prior 12 months.

- **Soliciting Contributions from persons in a pending proceeding**

Members of appointed boards and commissions may not solicit, accept or direct campaign contributions of more than $250 from any party to or participant in any use entitlement proceeding pending before the board or commission, *during the proceeding or for three months after the final decision is rendered* in the proceeding. The prohibition does not apply to a body, such as the Board of Supervisors, whose entire membership is elected. But the prohibition would apply to members of the Board of Supervisors when they sit as members of an appointed body.

This rule applies whether the contributions are sought for the official or for someone else, and whether the contributions come directly from the party or participant, or are made by an agent acting on behalf of the party or participant. The prohibition applies to contributions for candidates or ballot measures in federal, state, or local elections.

An official does not violate this rule if the official makes a request for contributions in a mass mailing sent to members of the public, to a public gathering, in a newspaper, on radio or television, or in any other mass medium, provided it is not targeted to persons who appear before the board or commission. An official does not engage in a solicitation solely because his or her name is printed with other names on stationery or letterhead used to ask for contributions.

- **What is a "use entitlement proceeding?"**

A "use entitlement proceeding" is a government action granting, denying, revoking, restricting or modifying a license, permit, or other entitlement for use. Use entitlement proceedings include proceedings on all business, professional, trade and land use licenses and permits, as well as other entitlements for land use, all contracts (other than competitively bid, labor or personal employment contracts) and all franchises.

Decisions on general plans, general building or development standards, or other rules of general application are not use entitlement proceedings.

♦ Who is a party or participant?

A "party" is a person, including a business entity, who files an application for, or is the subject of a use entitlement proceeding. A "participant" is any person who is not a party to a proceeding but who (1) actively supports or opposes a particular decision (*i.e.*, lobbies the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence the decision of the officers of the agency), and (2) has a financial interest in the decision. An "agent" is an individual who represents a party or participant in a proceeding. If an individual agent is also acting as a member of a law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

• Disqualification from proceedings involving a contributor

A member of an appointed board or commission may not participate in any use entitlement proceeding involving a party or participant (or their agent) from whom the official received a contribution of more than $250 in the 12 months before the proceeding. The $250 threshold applies to the combined total of all contributions from the party or participant and from an agent of the party or participant. Disqualification is required only if the official received a contribution for himself or herself in the 12 months before the proceeding. Soliciting contributions before a proceeding begins does not, by itself, require disqualification.

A member of an appointed board or commission may avoid disqualification if he or she returns the contribution (or the portion in excess of $250) within 30 days of learning of the contribution and the pendency of a use entitlement proceeding involving the contributor. Before the body renders a decision in a use entitlement proceeding, members of appointed boards and commissions must disclose on the record all campaign contributions totaling more than $250 received in the preceding 12 months from parties to or participants in the proceeding. If there is a public hearing, the official must make the disclosure on the public record at the beginning of the hearing. If no public hearing is held, the disclosure must be included in the written record of the proceeding.

♦ What are the penalties?

A knowing or willful violation of section 84308 is a misdemeanor, which could result in fines of up to the greater of $10,000 or three times the amount of the illegal contributions and incarceration in the county jail for up to one year, as well as prohibitions on being a candidate for public office or acting as a lobbyist for four years. Violators also face possible civil penalties of up to $2,000 per violation.

Taxpayers Protection Amendment of 2000 – Proposition J

City officers and employees who have discretion to approve and actually approve certain contracts known as "public benefits" may not accept campaign contributions, future employment, or gifts in excess of $50 from the entities or individuals who are deemed "public benefit recipients" of the contract.

• What is a public benefit?

The ordinance defines "public benefit" to include contracts to:

♦ provide personal services valued in excess of $50,000 over any 12-month period;
♦ sell or furnish any material, supplies or equipment to the City and County valued in excess of $50,000 over any 12-month period;
♦ buy or sell any real property to or from the City and County valued in excess of $50,000, or lease any real property to or from the City and County valued in excess of $50,000 over any 12-month period;
♦ receive an award of a franchise to conduct any business activity in a territory in which no other competitor potentially is available to provide similar and competitive services, and for which gross revenue from the business activity exceeds $50,000 in any 12-month period;
♦ confer a tax abatement, exception, or benefit not generally applicable to individuals or entities under pre-exiting law, which are granted by contract or other agreement to specific private individuals or entities, valued in excess of $5,000 in any 12-month period; or
♦ receive cash payments in excess of $10,000 in any 12-month period.

The term does not include "public employment in the normal course of business for services rendered." The value of a public benefit is determined at the time the City and County public official approves the public benefit.

- **Who is a "public benefit recipient"?**

The ordinance defines "public benefit recipient" as an individual or entity that:

♦ is a party to the contract or other public benefit;
♦ has a direct 10% equity, participation or revenue interest in the party to the contract at the time the contract is awarded; or
♦ is a trustee, director, partner, or officer of he party to the contract at the time the contract is awarded.

- **What are the penalties?**

A knowing and willful violation of Proposition J by a public official is a misdemeanor. Public officials who violate Proposition J may be liable for restitution to the City's General Fund and a civil penalty of up to five times the value of the personal or campaign advantage received. In addition, the public official may be disqualified from holding public office or "position[s] within the jurisdiction" in the future. The Ethics Commission may impose an administrative penalty of up to $5,000 per violation.

Notes

Notes

FILE NO. _____ RESOLUTION NO. _____

AUTHORIZING EXECUTION OF A MODIFICATION TO THE COOPERATIVE AGREEMENT WITH THE UNITED STATES NAVY TO EXTEND THE AGREEMENT FOR THE PERIOD OCTOBER 1, 2003 THROUGH SEPTEMBER 30, 2004.

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The City and County of San Francisco and the United States Navy entered into a Cooperative Agreement to enable the Navy to help fund caretaker and other maintenance activities that the City and subsequently the Authority would perform on behalf of the Navy; and

WHEREAS, the Authority and the Navy wish to extend the term of the Cooperative Agreement for the period October 1, 2003 through September 30, 2004; now therefore, be it

RESOLVED, That the Authority hereby authorizes the Executive Director of the Project to execute a modification of the Cooperative Agreement WITH THE United States Navy to extend the term for the period October 1, 2003 through September 30, 2004, and to forward the Agreement to the Board of Supervisors for its consideration.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 8, 2003.

_____
William Fazande

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00016

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND REDEVELOPMENT AUTHORITY
410 PALM AVENUE, BUILDING 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the current Cooperative Agreement for Fiscal Year (FY) 2004 from 01 October 2003 through 30 September 2004.

As mutually agreed herein by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker as an offset of existing revenue generating sources, present and future, through the extended period of the Cooperative Agreement ending September 30, 2004.

The general provisions, terms and conditions of the basic Cooperative Agreement, and all previous modifications remain the same as previously adopted.

As a result of this Modification, the total funded amount of the Cooperative Agreement remains the same at $12,848,213.00.

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND
DEVELOPMENT
AUTHORITY as Caretaker:

By: _____
MAYOR

For the U.S. Navy:

By: _____
C.W. DEPEW
GRANTS ADMINISTRATOR

_____
CLERK OF BOARD OF SUPERVISORS

_____
ANNEMARIE CONROY
Treasure Island Development Authority Executive Director

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: _____
DEPUTY CITY ATTORNEY

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00015

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVE., BLDG 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION:

The purpose of this modification, is in accordance with Section 701 of the General Provisions and the caretakers letter dated 19 September 2002, the Cooperative Agreement is extended for FY2003 from 01 October 2002 through 30 September 2003 in accordance with Section 701 of the basic agreement.

As mutually agreed herein, by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker, as an offset of existing revenue generating sources, present and future through the extended period of the Cooperative Agreement, ending 30 September 2003.

The general provisions, terms and conditions of the basic Cooperative Agreement and all previous modifications remain the same as previously adopted.

As a result of this Modification, the total funded amount of the Cooperative Agreement remains the same at $12,848,213.00.

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND
DEVELOPMENT
AUTHORITY as Caretaker:

By: _____
MAYOR

For the U.S. Navy

By: _____
C. W. DEPEW
Grants Administrator

_____
CLERK OF BOARD OF SUPERVISORS

_____
ANNEMARIE CONROY
Treasure Island Development Authority Executive Director

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: _____
DEPUTY CITY ATTORNEY

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00014

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVE., BLDG 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION:

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the current FY 2001 Cooperative Agreement from 01 October 2001 to 30 September 2002 in accordance with Section 701 of the basic agreement.

As mutually agreed herein, by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker, as an offset of existing revenue generating sources, present and future through the extended period of the cooperative agreement, ending 30 September 2002.

The agreement will remain subject to the terms and conditions as follows:

1. The general provisions, terms and conditions of the basic cooperative agreement remain unchanged.
2. Sections 1, 2 and 3 of the Cooperative Agreement are changed to delete Functional Annexes (Annexes 3, 4 and 6), Table of Contents and Consolidated Cost Estimate, from Modification P00008 in their entirety.
3. Insert the Table of Contents, Functional Annexes (Annexes 3, 4 and 6) with their associated Technical Execution Plans, Consolidated Cost Estimate and Detailed Cost Summaries, as incorporated herein by Modification P00014 into the Cooperative Agreement.

As a result of this Modification, the total amount of the Cooperative Agreement is increased by $145,000.00 from $12,703,213.00 to $12,848,213.00.

PAYMENT WILL BE MADE BY: DFAS San Diego.

ACCOUNTING AND APPROPRIATION DATA:

BT 1797XXXX0510 K900 0252 38911 0 068711 2A 000000 BT7C15610000 BT $145,000.00

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00013

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVE., BLDG 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION:

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the current FY 2000 Cooperative Agreement from 01 October 2000 to 30 September 2001 in accordance with Section 701 of the basic agreement.

As mutually agreed herein, by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker, as an offset of existing revenue generating sources, present and future through the extended period of the cooperative agreement, ending 30 September 2001.

The agreement will remain subject to the terms and conditions as follows:

1. The general provisions, terms and conditions of the basic cooperative agreement and all previous modifications remain the same as previously adopted.
2. Sections 1, 2 and 3 of the Cooperative Agreement are changed to delete Functional Annexes (Annexes 3, 4 and 6), Table of Contents and Consolidated Cost Estimate, from Modification P00008 in their entirety.
3. Insert the Table of Contents, Functional Annexes (Annexes 3, 4 and 6) with their associated Technical Execution Plans, Consolidated Cost Estimate and Detailed Cost Summaries, as incorporated herein by Modification P00012 into the Cooperative Agreement.

As a result of this Modification, the total amount of the Cooperative Agreement is increased by $145,000.00 from $12,558,213.00 to $12,703,213.00.

PAYMENT WILL BE MADE BY: DFAS San Diego.

ACCOUNTING AND APPROPRIATION DATA:

BS 1797XXXX0510 KQ00 0252 38111 0 068732 2A 000000 BS000R025819 $145,000.00

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND
DEVELOPMENT
AUTHORITY as Caretaker:

By: _____
MAYOR

_____
CLERK OF BOARD OF SUPERVISORS

_____
ANNEMARIE CONROY
Treasure Island Development Authority Executive Director

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: _____
DEPUTY CITY ATTORNEY

For the U.S. Navy

By: _____
ROBERT M. GRIFFIN
Grants Officer

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00012

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
410 PALM AVE., BLDG 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: Section 2905(a)(1)(B) of Public Law 101-510

COOPERATIVE AGREEMENT MODIFICATION:

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the current FY 2000 Cooperative Agreement from 01 March 2001 to 31 March 2001 in accordance with Section 701 of the basic agreement. This extension shall allow the City of San Francisco time to complete the final review and approval of the comprehensive annual modification (P00013), as requested by the caretaker.

As mutually agreed herein, by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker, as an offset of existing revenue generating sources, present and future through the extended period of the cooperative agreement, ending 31 March 2001.

As a result of this modification, the total funded amount remains the same.

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND
DEVELOPMENT
AUTHORITY as Caretaker:

By: _____
MAYOR

_____
CLERK OF BOARD OF SUPERVISORS

_____
ANNEMARIE CONROY
Treasure Island Development Authority Executive Director

APPROVED AS TO FORM:
LOUISE H. RENNE, City Attorney

By: _____
DEPUTY CITY ATTORNEY

For the U.S. Navy

By: _____
ROBERT BOYER
Grants Officer

TABLE OF CONTENTS

SECTION I

REQUIREMENTS STATEMENT

LOCATION
This agreement concerns the operations, maintenance and protection of the closed Naval Station (NS) Treasure Island. NS Treasure Island closed operationally at the end of September 1997. The term "closed Naval Station Treasure Island" refers to those areas and facilities that have not been transferred to the United States Department of Labor, United States Coast Guard, or leased to the Caretaker.

The operation and maintenance of Navy facilities that are licensed or leased to the City of San Francisco are excluded from this agreement.

GOVERNMENT FURNISHED PROPERTY, EQUIPMENT, AND MATERIAL
Government Furnished Property, Equipment and Material (GFP/GFE/GFM) is property, equipment, or material that is provided to the Caretaker to reduce the cost of this agreement or to assist the Caretaker in start-up. GFP/GFE/GFM held by the Caretaker continues to be owned by the Navy until consumed or returned. The Caretaker is responsible to provide proper care, maintenance, and security of GF P/GFE/GFM. Property, equipment, and material purchased by the Caretaker and reimbursed by the Navy is considered GFP/GFE/GFM.

ORGANIZATION
The agreement is divided into six (6) functional annexes. For ease of reading, each annex follows a standard format that is briefly described below.

1. Description

This paragraph generally defines the scope of services to be provided under the agreement.

2. Concept of Operations

This paragraph provides additional descriptions of the services, and operations and maintenance functions that are included in the annex. Standards for the services and functions are those of the service provider.

3. Technical Execution Plans (TEPs)

There is a Technical Execution Plan (TEP) appended to each annex within this document. Prior to this modification, the TEP(s) were separate documents. The TEPs are being appended to each of the functional annexes so that the result will be a fully integrated and selfcontained document that is an integral part of this agreement. The OIC, Caretaker Site Office, will use these plans when developing the Navy quality assurance program.

The TEPs are management tools for both the City and the Navy. The TEPs form the technical basis for reimbursement by the Navy to the City for the work performed by the City in the process of assuming the ownership and management of Treasure Island. The City's budgets in Section III will track to the objectives of the TEPs.

The TEPs identify the method by which the Caretaker will keep the CSO informed as to job status, progress, backlog, scheduled completion dates, and work execution plans. They include a methodology for tracking and documenting reductions in workload and allowable cooperative agreement expenditures associated with leasing, licensing, or transfer of properties to the City of San Francisco or other entity.

The Caretaker will advise the Grants Administrator and the OIC, Caretaker Site Office, of significant changes to the plan.

4. Government Furnished Property/Equipment

This section, located in Functional Annex 5, refers to a list of government property and equipment that the Navy shall provide to the Caretaker for performing CA services and functions.

5. Section III, Consolidated Cost Estimate and Detailed Budget Summaries

This section contains consolidated cost estimates for the full term of the Cooperative Agreement. Costs may be reallocated among annexes with prior approval of the Navy Grants Administrator. Reallocations must occur within the term of the agreement, be within the original Cooperative Agreement scope, and not exceed the total estimated cost agreed upon in this modification for the total of all the annexes.

6. Allowability of Indirect Expenses

Article V Costs, Section 502, Advance Agreements on the Allowability of Costs, Part B of the basic cooperative agreement states "indirect costs, as such costs are defined in OMB Circular A-87, shall be unallowable". This does not mean that all indirect expenses are unallowable but that the allowability of indirect expenses will be governed by OMB Circular A-87.

TERMS AND ACRONYMS

Several terms and acronyms frequently appear in the text of the functional annexes. A list brief of these terms and acronyms follows:

Caretaker	The City of San Francisco
CA	Cooperative Agreement
CSO	The Navy Caretaker Site Office located at the closed Naval Station Treasure Island.
GFP/GFE	Government Furnished Property/Government Furnished Equipment
NS	Naval Station
SOP	Standard Operating Procedure
TIDA	Treasure Island Development Authority or Authority.
TI	Treasure Island
YBI	Yerba Buena Island

The term "closed Naval Station Treasure Island" refers to those areas and facilities that have not been transferred to the United States Department of Labor, United States Coast Guard, or leased to the Caretaker.

PART I.A

SECURITY SERVICES

I.A.1. Description

I.A.1.1.Security services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to protect government property (facilities and personal property) and control access to the Navy owned property.

I.A.2. Concept of Operations

I.A.2.1.The Caretaker, shall provide security services as described below.

I.A..2.2. The Caretaker shall establish 24-hour security patrols ~~to~~ for the former NS Treasure Island to control access and deter unauthorized entry to or removal of Navy-owned property.

I.A.2.3. All security personnel shall wear uniforms distinguishing them as part of an official security workforce. Security vehicles shall also have distinguishing security markings.

I.A.2.4. Security personnel shall have full-time radio communication capability with each other and with the San Francisco Police Department. Security personnel shall immediately call for a Police response if they detect any indication of a crime being committed or committed previously.

I.A.2.5. Security personnel are not authorized to carry firearms.

I.A.2.6. The Caretaker shall provide all supplies and equipment necessary to perform the security service.

SECTION II

FUNTIONAL ANNEXES

FUNCTIONAL ANNEX 1
POLICE, SECURITY, FIRE, AND EMERGENCY MEDICAL SERVICES

PART 1

LAW ENFORCEMENT SERVICES

1.1. Description

1.1.1. The Law Enforcement Services in this agreement is the same or similar to services provided by the City of San Francisco Police Department for public protection and handling of criminal offenses. Services apply to the closed Naval Station. These services include law enforcement under the jurisdiction of the court system of the County of San Francisco and the State of California. They also include police services and animal control services, as currently practiced by the City of San Francisco.

1.2. Concept of Operations

The Caretaker shall provide police services to the closed Naval Station Treasure Island in accordance with established standards of the City of San Francisco.

The Caretaker shall provide a response to all emergency and non-emergency calls for service, traffic enforcement, animal control services and other services normally provided by the San Francisco Police Department to the population of the City of San Francisco.

TECHNICAL EXECUTION PLAN
FOR
ANNEX 1
PUBLIC SAFETY

1. The missions of the San Francisco Police and Fire Departments, with regards to operations on Treasure Island and Yerba Buena Island (TI/YBI) are:

a. To safeguard the well being of residents, employees and visitors to TI/YBI.
b. To protect and insure the security of property and buildings located on TI/YBI.
c. To interact and liaison with other local and federal government agencies located on the islands.
d. To assist and coordinate efforts to maintain security and prevent fires on TI/YBI.
e. To proactively meet with residents and employees of the Islands and to engage in partnership and dialogue which will form the basis of future community problem solving efforts.
f. To protect the lives and property on TI/YBI from fire, natural disasters, hazardous materials incidents.
g. To save lives by providing emergency medical services.
h. To prevent fires through prevention and education programs.

Assignment of Responsibility:

Police Department: Overall, responsibility for staffing and policing of the Islands will remain with the San Francisco Police Department, Treasure Island Station. Overall, operational command of police services will be the responsibility of Captain Rich Cairns.

Fire Department: Overall, responsibility for staffing and policy in regards to the Islands will remain with the Chief of the Fire Department or their designee. Overall, operational command will be the responsibility of the Chief of the Fire Department or his designee.

Staffing and Tours of Duty:

Police Department: Police staffing of the Islands will be on a continual 24-hour, seven-day a week basis. Deployment will be as follows:

Day Watch (0600-1600): One Captain, One Sergeant, Two Patrol Officers, and One Light Duty Station Officer.
Swing Watch (1400-2400): Two Patrol Officers.
Midnight Watch (2100-0700): Two Patrol Officers.

Supervision: Units assigned to the Islands shall be under the supervision of their respective unit supervisors. Supervisors shall remain available to respond to TI and YBI as needed. Supervisors will make periodic visits to their personnel on the Islands as part of their regular supervisory responsibilities.

Fire Department: Fire Department staffing of the Islands will be on a continual 24-hour, seven-day a week basis.
Deployment is as follows: Total Fire Department personnel assigned to the Islands currently consists of One Captain, six Lieutenants and 20 Fire Fighters. In addition, the Battalion Chief of District 03 and his aide have temporarily relocated their headquarters to Treasure Island Fire Station until further orders from the Chief of the Department. Their staffing consists of 3 Battalion Chiefs and 3 Chief's Aides. Current

PART 1.B

FIRE PROTECTION/SUPPRESSION AND EMERGENCY RESPONSE SERVICES

1.B.1. Description

The Fire Protection/Suppression and Emergency Response Services, hereinafter called the "Fire Protection", includes services which involve the operation of a fire reporting communications center, fire operations, fire prevention inspections, rescue, hazardous materials first responder, emergency medical first responder, and ambulance service. Maintenance of the fire protection facilities shall be accomplished under the Building Maintenance Services Annex (Annex 4) to this agreement.

1.B.2. Concept of Operations

The Caretaker shall provide Fire Protection services to the closed Naval Station Treasure Island in accordance with established standards of the City of San Francisco.

The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for Fire Protection services for those areas of the closed NS that have limited or no reuse potential.

The Caretaker shall conduct fire inspections in all Caretaker Facility Maintenance Level I, II, III, and IV facilities. The term "Levels" refers to standards established by the Navy for Caretaker Levels as described in CNO letter Ser N444B dated 6 Oct 1994 located in the CSO's office.

The Caretaker shall conduct periodic visual inspections of fire alarm systems and fire protection systems (which include automatic sprinkler systems, standpipe systems, and other extinguishing systems). Routine inspections shall be performed on operational systems. Systems that have not been certified or are presently out-of-service or lacking proper maintenance or repair shall remain out of service or shall be placed in an out-of-service status by the Caretaker. Engineered fixed extinguishing systems shall be placed in an out-of-service status in all vacant buildings.

The Caretaker shall respond to release of hazardous materials for Naval Station property, and provide initial clean-up of such releases, except for releases due to Navy operations. Hazardous materials response shall include a response to spills which affect the surrounding bay waters directly or via the storm drain system.

The Caretaker shall incorporate the closed NS into the City of San Francisco's disaster preparedness and emergency management programs.

The Caretaker shall maintain maps, records, and drawings related to the Fire Protection function as listed in Technical Exhibit 1-1. All records and maps shall be available to the Navy upon request.

The Caretaker shall attend meetings involving all major changes to the infrastructure, building occupancy and use, demolition of structures, and planned public events that impact safe occupancy limits.

daily staffing consists of 2 Officers and 4 Firefighters. They work on a 24-hour shift from 0800 to 0800. Additionally, Basic Life Support (BLS) Ambulance service has been established during 1999. Although a Battalion Chief and Chief's Aide are currently quartered at Treasure Island, they are not exclusively dedicated to the Islands. They are still responsible for their district in San Francisco that includes the Bay Bridge, Treasure Island and Yerba Buena Island. The above cited staffing levels shall be maintained, subject to the continued provision of necessary funding to support the staffing. However, minimum levels required for any San Francisco community will be maintained.

In addition to the current Fire Department staff on TI, in the case of an incident, the incident commander will have available to them any and all units of the San Francisco Fire Department including: the Fire Boat, Hazardous Materials Unit, Pollution Control Unit, Heavy Rescue Squads, Cliff Rescue, Water Rescue, Emergency Medical Service, etc. The department anticipates the assignment of one paramedic to the Islands on each watch in exchange for one firefighter on each watch in early to mid 2000.

Duties of Department:

Police Department: Upon arrival at TI/YBI, officers will meet with the off-going watch to exchange any pertinent information. Officers shall check the incident/information clipboard at the station prior to commencing patrol. Officers are responsible for the security of Island property, residents, and visitors. This entails the diligent investigation and documentation of any suspicious incidents, persons, vehicles, etc. that they encounter during their tour of duty. All incidents will be documented on incident reports, memoranda, or field interrogation cards, as appropriate. Officers will be responsible for conducting diligent patrol of the Islands unless they are engaged in investigations or report preparation at the Station. Officers will maintain a cooperative liaison with Treasure Island gate security, and respond promptly to any of their calls for assistance or back up. Officers will coordinate with the San Francisco Department of Animal Care and Control as required. Copies of all incident reports and memoranda will be maintained at the TI Station for informational purposes. Police personnel will maintain their presence on the Islands at all times. During the midnight watch, units may leave the Islands only for exigent circumstances, and with the permission of the supervisor.

Fire Department: The duties of the Fire Department will be to respond to structural fires, auto fires, trash fires, grass fires, vessel fires, medical emergencies, hazardous materials incidents, cliff rescues, water rescues, investigation of building alarms, and other emergencies on TI/YBI and the San Francisco Bay Bridge. Inspection and fire prevention programs will be administered by the Department's Bureau of Fire Prevention.

Points of Contact:

Police Department:

Commander Portoni	553-1527
Captain Cairns	984-0642 pager: 998-8487
Sergeant McCloskey	984-0645 pager: 804-5349
Officer Clyburn	984-0645
Officer Achim	
Officer Schlink	
Officer Gaan	
Officer Kosewic	
Officer Marchand	
Officer Barker	
Officer Fox	
Officer Frenkel	

Points of Contact:

Fire Department:

Emergency Number	911
Division 1	558-3501 or 558-3213
Firehouse Business	558-3248

FUNCTIONAL ANNEX 2

TELEPHONE CABLE MAINTENANCE SERVICES

2.1. Description

2.1.1. The telephone cable system for the closed Naval Station (NS) Treasure Island consists of all existing cables, conduits, connections, and terminals located throughout the base with the exception of cable plant, conduit and related infrastructure which is owned by the local service provider (providing service to housing and lodging facilities). The system is located primarily underground running through utility ducts accessible through manholes. Termination boards are located in building structures. The main termination board is located in Building 1.

2.2. Concept of Operations

2.2.1. Lease of the Telephone Cable System to the Treasure Island Development Authority: The Navy owned utility infrastructure serving former Naval Station Treasure Island, including the telephone cable system, may, subject to the prior approval of the Authority and the San Francisco Board of Supervisors, be leased to the Authority. In that event, the continued operation of the telephone cable system by the Caretaker would be subject to the provisions of that lease. Accordingly, provision of this Agreement pertaining to maintenance of the telephone cable system would be void upon execution of such a lease.

2.2.2 Operations Under This Agreement Prior to Leasing

2.2.2.1 The Caretaker, will maintain the telephone cable system in an operable condition.

2.2.2.2 The Caretaker and the Navy will work cooperatively to minimize/eliminate maintenance costs for the system that serves those areas of the closed NS with limited or no reuse potential.

2.2.2.3 The Caretaker shall conduct system maintenance and repairs necessary to provide a safe, operational telephone cable system. The Caretaker and the Navy will work cooperatively, using sound engineering judgment, to identify optimum corrective solutions for system deficiencies.

2.2.2.4 The Navy will provide a full set of maps and drawings related to the telephone system to the Caretaker. Subsequently, the Caretaker will maintain such maps and drawings and will make them available to the Navy, upon request, to provide documentation in support of system conveyance.

2.2.2.5 The Caretaker will normally provide the Navy Caretaker Site Office with a minimum of 1-week notification of scheduled service outages.

TECHICAL EXECUTION PLAN
FOR
ANNEX 2
TELEPHONE SERVICES

1. The following procedure is to be used by City Departments on Treasure Island/Yerba Buena Island (TI/YBI) when reporting trouble with telephone services:

   a. The Department will call (415) 550-2747 Department of Telecommunications and Information Services (DTIS) Dispatcher and report the trouble, giving as much detail as possible.
   b. DTIS Dispatcher will open a trouble ticket with Pacific Bell or dispatch a DTIS Technician to the site.
   c. Pacific Bell will close the ticket with the DTIS Dispatcher or report that the service is good to the Main Point of Entry (MPOE).
   d. Lucent Technologies will clear the trouble with the Dispatcher.

2. The following procedures will be used by non-City Entities on TI/YBI when reporting trouble with their telephone services:

   a. Client will follow their internal trouble reporting procedures.
   b. If Pacific Bell determines that the service is good to the MPOE, and a problem still exists, then Pacific Bell will contact the DTIS Dispatcher at (415)550-2747.
   c. DTIS Dispatcher will contact Lucent Technologies and open a trouble ticket for cable troubleshooting.
   d. Lucent Technologies will clear the trouble with the Dispatcher. Any charges for repairs will be passed along to the client.

3. Preventative Maintenance of cable trunks and switch gear shall be per the Cooperative Agreement. Any outstanding repairs shall be reported weekly during the Navy/City meeting.

FUNCTIONAL ANNEX 3

GROUNDS MAINTENANCE SERVICES

3.1. Description

3.1.1. Grounds maintenance services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to improved grounds. The grounds maintenance function includes grass cutting, irrigation, weed control, tree trimming and removal, litter control, perimeter fence repairs, roadways, and culvert cleaning.

3.1.2. Grounds maintenance services include coverage of the entire closed NS. Grounds maintenance services shall not be provided for areas under control of the USCG, DOL, and leased or licensed property to the Caretaker.

3.2. Concept of Operations

The Caretaker shall perform grounds maintenance work to all areas on closed Naval Station Treasure Island that have not been transferred to the Department of Labor or the United States Coast Guard, and have not been leased to the Caretaker. Grounds maintenance shall be performed to two standards:

Level 2 Services

Turf Grass Mowing and Associated Cleanup: Turf areas shall be mowed an average of two times per month. Turf grass height shall be maintained between 2 inches and 4 inches at all times. Prior to mowing, all trash, papers, and other debris shall be removed from turf areas. Surface imperfections such as gopher mounds shall be leveled out. All edges along curbs, sidewalks, roadways, and other paved areas, and around light poles, hydrants, light guards, and signs shall be trimmed once per month. Tree wells shall be maintained around all trees and large shrubs growing in lawn and turf areas. All clippings shall be cleared from walkways, roadways, and other paved areas.

Trees and Shrubs: All trees and shrubs shall be pruned to provide safe passage, maintain a healthy and pleasing appearance, and prevent interference with pedestrians and vehicular traffic. Trees and shrubs shall be treated as necessary to prevent disease, fungus, and insect damage. Shrub beds shall be kept free of weeds, debris, sucker growth, and dead plant material.

Irrigation: Minimum irrigation shall be performed in a manner that promotes good appearance of landscaped areas. Irrigation shall include the watering of lawns, shrubs, trees, ground cover and containerized plants. Caretaker shall provide back-flow prevention devices approved by the San Francisco Department of Public Works on all hoses that are used for watering and all connections made to fire hydrants.

Weed control in Paved Areas: Weeds shall be removed from all asphalt and other paved areas. Herbicides shall be applied to prevent re-growth.

Policing, Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be policed at least twice per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playground, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a week to remove foreign objects.

Level 3 Services,

Mowing and Associated Cleanup: Grass and weeds shall be cut 12 times per year. Prior to mowing, all trash and debris, including leaves, paper and other objects within the maintenance area shall be removed. Grass/weeds shall be maintained at a uniform height of not less than 2 inches and not more than 5 inches.

Trees and Shrubs: All trees and shrubs shall be pruned as required to encourage proper health and to maintain a pleasing appearance. Any extensive pruning or "cut back" shall be accomplished in the winter or during the dormant season. Ivy and ground cover shall be kept a minimum of eight inches (8") from shrubs and trees. Shrub beds shall be kept free of weeds, debris, sucker growth, and dead plant material.

Weed Control in Paved Areas: Weed shall be removed from all asphalt and other paved areas four times per year. Herbicides shall be applied to prevent re-growth.

Policing, Debris Removal, and Storm Damage Cleanup: All maintenance areas shall be policed at least twice per month to remove debris, leaves, paper, dead limbs, bark, pine needles, etc. Debris, silt, and vegetation shall be removed from gutters, curb inlets, and gratings. Debris from storms shall be removed as soon as possible.

Playground, Sandboxes, Ball Fields, and Tennis Courts: Playgrounds, sandboxes, ball fields, and tennis courts shall be kept free of weeds and debris. Sandboxes shall be raked once a week to remove foreign objects.

Irrigation: Level 3 areas shall not include any irrigation.

3.2.2. The Caretaker shall provide a Facility Manager who shall manage all functions related to Grounds Maintenance.

3.2.3. The Caretaker shall provide Facility Inspectors who shall execute the facility inspection program in conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

3.2.4. The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for grounds which have limited or no reuse potential.

3.2.5. The Caretaker shall provide all supplies and equipment necessary to perform the grounds maintenance service, except as indicated in 3.4 below.

3.2.6. The Caretaker execution workforce shall occupy and use the City Department of Public Works spaces in Public Works Department spaces in Building 325 as a local shop and storage space.

TECHICAL EXECUTION PLAN
FOR
ANNEX 3
GROUNDS MAINTENANCE

1. Per the contract between TIDA and Rubicon Enterprises, dated March 1999, the grounds maintenance of the Islands will be maintained in an appropriate manner. The monthly invoice for these services, under the requirements of the Cooperative Agreement, will be per Annex 5, Financial Management.

2. The Caretaker Site Office Treasure Island holds a copy of the contract, for historical and quality assurance purposes.

FUNCTIONAL ANNEX 4

BUILDING AND ROADS MAINTENANCE SERVICES

PART 1: BUILDING MAINTENANCE

4.1. Description

4.1.1. Building Maintenance Services for the closed Naval Station (NS) Treasure Island includes management, supervision, and work execution required to provide caretaker level maintenance and repair to Navy owned buildings and structures which are vacant and laid-away pending reuse. The number of facilities covered by this agreement shall decrease as buildings and land parcels are leased to the City of San Francisco for reuse. All building systems are covered by this annex, including structural systems, electrical systems, mechanical systems, roofing systems, fire suppression/alarm systems, and installed related equipment, such as elevators and hoists. Pest control within buildings is also included in this annex. The level of maintenance effort for any particular building shall be in accordance with Navy policy on facilities in layaway status (provided separately from this agreement) and the designated "caretaker level" assigned by the Navy CSO in coordination with the City of San Francisco related to reuse potential. In general, maintenance work shall be performed to a level that limits deterioration by providing a weather-tight facility secure from entry. "Improvements" to buildings in a layaway status are not allowable under this agreement.

4.1.2. This functional applies to the areas on the "Closed Naval Station Treasure Island".

4.1.3. The Caretaker shall use a portion of Building 1 and Building 225 for performance of the Building Maintenance Services function.

4.2. Concept of Operations

4.2.1. The Caretaker shall perform building maintenance work on structures in accordance with Caretaker standards and special requirements for "Historical" buildings, which will be finalized in a separate document.

4.2.2. The Caretaker shall provide a Facility Manager, who shall manage all functions related to Building Maintenance Services and Roads/Grounds Maintenance covered in Annex 5.

4.2.3. The Caretaker shall provide Facility Inspectors who will execute the facility inspection program in-conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

4.2.4. The Caretaker shall perform the majority of the work effort of this function using in-house City of San Francisco Public Works Department personnel and supervision, including both field and technical engineering support. The Caretaker may obtain specialty functional support via contract.

4.2.5. The Caretaker shall provide 24 hour, on-call, emergency response and repair capability to secure situations that threaten the property, such as broken water pipes, secondary electrical failures, significant roof leaks, etc.

4.2.6. The Caretaker shall inspect buildings according to established schedules to identify required building maintenance work. The Caretaker shall order required work for accomplishment by in-house personnel or contract.

4.2.7. The Caretaker shall maintain buildings in a manner that is safe to the general public, including those occupied by the Navy (portion of Building 1 and Building 570). The Caretaker will provide all supplies and equipment necessary to perform building maintenance services.

4.2 8. The Caretaker shall pickup, store and dispose of any abandoned waste on the closed NS Treasure Island, including YBI, per applicable regulations. This does not include waste generated by Navy environmental remediation work.

The Caretaker shall properly store all Hazardous Materials and Hazardous Waste it handles, other than such materials and waste generated by Navy operations. The Caretaker shall not use the Navy's Hazardous Waste Generator Identification number for disposal of Hazardous Materials and Hazardous Waste not generated by Navy operations.

PART 2: ROADS MAINTENANCE

4.A.1. Description

4.A.1.1.Road services includes management, supervision, and work execution required to provide maintenance and repair to paved roadways at a level not less than Caretaker's standards for the City. The roads maintenance function includes asphalt repair, concrete repair, street striping, street sweeping, roadway above ground culvert cleaning, traffic signage repair, and sidewalk repairs.

4.A.1.2.Roads maintenance services include coverage of the entire closed NS. Roads maintenance services shall not be provided for areas under control of the USCG, DOL, and leased or licensed property under this agreement.

4.A.2. Concept of Operation

4.A.2.1.The Caretaker shall perform roads maintenance work on the entire closed base in accordance with City standards in two levels:

Level A is the standard level of maintenance used for areas with public access and active interim reuse in the local area.

Level B is the level of maintenance used in areas of little to no public access with no interim reuse in the local area.

4.A.2.2.The Caretaker shall provide a Facility Manager who shall manage all functions related to Roads Maintenance and Building Maintenance.

4.A.2.3.The Caretaker shall provide Facility Inspectors who shall execute the facility inspection program in conjunction with the Navy CSO staff. The Facility Inspectors shall work directly for the Facility Manager.

4.A.2.4.The Caretaker shall work cooperatively with the Navy CSO staff in the execution of work associated with this functional.

4.A.2.5.The Caretaker shall perform the majority of the work effort of this functional using contracted support through the City Public Works Department.

4.A.2.6.The Caretaker and the Navy shall work cooperatively to minimize/eliminate operations and maintenance costs for roads which serves those areas of the closed NS that have limited or no reuse potential.

4.A.2.7. The Caretaker shall pickup, store and dispose of any abandoned waste on the closed NS Treasure Island, including YBI, per applicable regulations. This does not include waste generated by Navy environmental remediation work.

The Caretaker shall properly store all Hazardous Materials and Hazardous Waste it handles, other than such materials and waste generated by Navy operations. The Caretaker shall not use the Navy's Hazardous Waste Generator Identification number for disposal of Hazardous Materials and Hazardous Waste not generated by Navy operations.
The Caretaker shall provide all supplies and equipment necessary to perform the building maintenance and roads maintenance service.

4.A.2.8. The Caretaker execution workforce shall occupy and use the City Department of Public Works spaces in Public Works Department spaces in Building 225 as a local shop and storage space.

TECHICAL EXECUTION PLAN
FOR
ANNEX 4
BUILDING AND ROADS MAINTENANCE

1. Purpose

This document provides operational procedures for the management of maintenance and repairs to roads and facility structures on Treasure Island (TI) and Yerba Buena Island (YBI). Included are responsibilities for furnishing professional engineering support services, and the management of the Plan Room located in Building one. This plan is a working document and may be changed, altered, amended or revised due to actual field conditions, circumstances or mutual agreement.

2. Work Execution for Buildings and Roads Maintenance

Offices and Work Spaces: Office space in Building 1 is the Department of Public Works (DPW) base of operations, office space and contact point with other agencies, departments and civilians. The fenced, lockable and paved area surrounding building 225 (auto/hobby shop) is currently being used by DPW to store vehicles and equipment. Building 225 itself is used for storage, repair, and a staging area and as auxiliary offices.

Employee Assignment: Line and or staff personnel are assigned to fulfill the DPW duties and responsibilities at Treasure Island in the most economical and efficient way possible. Therefore, the on site DPW personnel will confine their role to Cooperative Agreement responsibilities except as specifically requested and funded by the Office of the Mayor's Treasure Island Project.

On site personnel will be assigned from but not limited to Stationary Engineers or other crafts and personnel. All assigned or dispatched personnel will be journey level craft persons, construction laborers, custodial personnel, or an appropriate level manager or supervisor.

Regular Inspection and Maintenance of Facilities Covered by the Cooperative Agreement: Regular inspections will be conducted along with routine maintenance by on-site staff or assigned craft personnel as required to maintain those structures mutually agreed upon by the U. S. Navy and the City under the Cooperative Agreement. Major repairs when and if authorized will be assigned to the Bureau of Building Repair, DPW Craft Shop [illegible] systems, fire suppression systems, roofing, elevators, hoists and other specialized systems will be contracted out to private vendors as deemed appropriate by DPW.

Levels of inspection and maintenance undertaken and performed will be determined by the lay up levels [lay up levels are synonymous with maintenance levels as used here] as specified in CNO letter Ser N44B dated 6 Oct 1994. Inspection and repairs performed will follow guidelines in the referenced Building Repair caretaker Maintenance Schedule. Any disagreements on interpretation by DPW of actual levels or condition encountered or recorded should be reduced to writing and presented to the City and County by the Navy for discussion, interpretation and mutual decision. City and DPW interpretations will prevail and be undertaken unless specific disagreement are brought to their attention and agreed to by the City.

Tenant Occupied and Non-Cooperative Agreement Facility Maintenance and Repair: Tenants (private or public) of facilities and other departments may contract with the Bureau of Building Repair, DPW for facility management or repair services through Interdepartmental Work Orders. All work order services will be completed expeditiously and according to prevailing industry standards. Scheduling of regular or one-time repair will be at the availability of materials and personnel. Emergencies involving life, health or safety issues will receive priority status.

Street and Grounds Maintenance: The Bureau of Building Repair will maintain liaison with those DPW entities responsible for street and grounds maintenance at the Treasure Island/Yerba Buena site. The Bureaus of Street Environmental Services and Street Repair will report to Building Repair on conditions, regular schedules of work, and problems that arise from these areas. The Bureaus will report, through appropriate channels, on a regularly basis to the Navy. Both Street Environmental Services and Street Repair will maintain complete records of all work, repairs and costs. Regular street cleaning undertaken by the Bureau of Street Environmental Services will be confined and specifically limited to regular mechanical sweeping of paved streets covered by the Cooperative Agreement but not those covered by a lease or license agreement. Repair and maintenance of streets by the Bureau of Street Repair will be confined to those paved streets covered by the Cooperative Agreement but not those covered by a lease or license. Actual repairs will be confined to reasonable repairs or emergency backfill after notification of a problem or circumstance. Resurfacing of streets by the Bureau of Street Repair will be done with prior approval by the Navy.

2B. Work Execution for Professional Engineering and Plan Room Services

DPW will provide engineering support as required for the proper maintenance and repairs of the roads and facility structures on TI and YBI. Engineering support will include DPW coordination efforts with other City agencies, and technical expertise involving the civil, electrical, mechanical, structural, architectural, and landscape architectural fields.

Plan Room management will be established to facilitate retrieving plans previously organized by the Navy. DPW does not intend to have full-time staff stationed at TI to provide Plan Room related services. However, DPW through its Bureau of Engineering will dispatch personnel to TI to provide Plan Room related services on an as-needed basis. Procedures will be implemented to provide documents to requesters timely.

Reproduction equipment turned over by the Navy is limited to small-scale reproductions only. Reproduction equipment does not have drawing or enlarging capabilities. DPW will implement procedures to use reproduction services provided by an outside vendor. To recoup reproduction costs which are not charged to the Navy, DPW intends to charge a flat fee of $5.00 per sheet (irrespective of drawing size) when such outside reproduction services are utilized. Payment shall be by check made payable to DPW, and shall be due at the time of document pickup.

To properly manage control of the Plan Room, access will be limited to only DPW personnel. All requests for plans and reports shall be directed to (415)558-4061 or (415)558-4067.

3. Reporting Procedures

The Mayor's Office and the Navy will schedule regular meetings on site. The purpose of the these meetings will be to:

- report on the previous work and events
- report on special work scheduled for the next period of time
- report on grounds and streets as appropriate
- advise the Navy and Mayor's Office of possible future problems

Records of all inspections, deficiencies noted, and corrections made will be recorded and available for review by the Navy upon request and sufficient notice. A log of all Plan Room requests received will be provided to the Navy on a monthly basis.

Around the clock emergency response will be available through the Department of Public Works. During normal business hours, calls should be placed to the Bureau of Building Repair personnel stationed at Treasure Island either at their offices or pager numbers. If Building Repair personnel are not immediately available at the Naval Station, a Project Coordinator at our Bureau offices at Telephone (415) 695-2030 can be contacted for assistance. Emergency calls after hours, on weekends and holidays should be placed to the Department of Public Works Emergency Hotline at (415) 695-2020. Requests for assistance through the Department's Hotline will be directed 7-days a week to the appropriate Operations bureau or other entity.

4. Allocability and Voucher Preparation

An existing computerized system will be utilized to track costs for both labor and materials. Costs for work covered under the Cooperative Agreement will be encumbered and charged against Mayor's Office funds that have been work ordered to the Department of Public Works through the City Work Order system. Those Navy funds allocated to the Department of Public Works for work undertaken under the Cooperative Agreement will have a single identifying Job Order Number. All work performed under the Cooperative Agreement will be charged to and identified by this number. Non-Cooperative Agreement work requested by the Mayor's Office Treasure Island Project will be charged and identified by a different and separate Job Order Number provided by the Mayor's Office. The Department of Public Works will, in general, defer the interpretation of, direction to perform and responsibility for deciding whether any particular work, job or project should be charged against funds encumbered for Cooperative Agreement work to the Mayor's Office Treasure Island. Work requested by and performed for other City departments or other entities at the closed Naval Station will be charged to and identified by separate Job Order Numbers.

In cases of life, health or safety, only remedial repairs or procedures to alleviate an immediate threat will be undertaken without prior approval.

5. Animal and Pest Control

Any animal or pest control problem mutually considered by the Navy and the City to be covered by the Cooperative Agreement will be referred to private vendors as approved by the City or deemed appropriate by the Department of Public Works. Pest Control services will be conducted in accordance with the Integrated Pest Management Policy adopted by the City and attached.

6. Recall List

A limited, current and updated telephone list will be provided to the U. S. Navy and the Mayor's Office Treasure Island Project staff. The Mayor's Office, Navy and tenants are directed to use the Department of Public Works Emergency Hotline at Telephone (415)695-2020 to obtain assistance or request off hour response of DPW personnel.

Vehicle Logistics

1. Purpose

The purpose of this section is to delineate the conditions, locations, and maintenance of Navy vehicles assigned to the Department of Public Works.

2 Vehicle Use and Assignment

The Navy assigned vehicles to the Department of Public Works, Bureau of Building Repair. These are used by on-site personnel and shops located within the City to transport personnel and materials to, from and around Treasure Island. In order to utilize, maintain, and fuel these vehicles, however, it is necessary to park the vehicles at various San Francisco Public Works locations for periods of time up to several days depending on servicing requirements and staffing availability
The vehicles not assigned to a specific shop serving Treasure Island will be stored inside the locked enclosure surrounding Building 225 (Auto Hobby Shop).

3. Department of Public Works Responsibilities

DPW assumes primary responsibility for performing regular vehicle maintenance and repairs. All service and fueling will be accomplished through the City Purchaser's Central Shops, funded through the Mayor's Office to DPW for the Treasure Island Project. In addition, vehicles assigned to DPW will have a number assigned and placed on vehicle front doors along with a City Seal. Navy identifying numbers and lettering will be retained through the course of this agreement.

4. General Conditions of Use

Vehicles will in general be reserved for service of the closed Naval Station facilities. The Department reserves the right to substitute City owned vehicles for servicing Treasure Island if maintenance, equipment, or scheduling requirements so indicate.

FUNCTIONAL ANNEX 5

PERSONAL PROPERTY MANAGEMENT AND COOPERATIVE AGREEMENT SERVICES

5.0 Personal Property Management

5.1. Description

5.1.1. The Personal Property Management Service for the closed NS Treasure Island includes the management and work execution resources necessary to maintain accountability for government owned personal property remaining at the closed base. The personal property is grouped into several broad categories, including property staged for reuse, property issued for reuse, property issued to the Caretaker to support the cooperative agreement, and property retained by the Navy to support CSO operations.

5.1.2. The personal property is stored in various locations throughout the closed NS. Items with a value of greater than $5,000 are inventoried and listed individually in a personal property database developed by the Navy. Items of less than $5,000 are in bulk inventory and listed by bulk line item in the database.

5.2. Concept of Operations

5.2.1. The Caretaker will provide a Personal Property Manager who will manage all functions related to the control and accountability of all remaining government owned personal property, including storage, security, inventory, issue/receipt, and data base maintenance.

5.2.2. The Caretaker will cooperate with the Navy CSO staff in the execution of work associated with this function.

5.3. Government Furnished Property/Equipment (see the Technical Exhibits section to this annex)

5.3.1. The Caretaker shall manage and update changes to the GFP/GFE Technical Exhibits and submit updated copies to the Navy for review.

FUNCTIONAL ANNEX 5.A

COOPERATIVE AGREEMENT MANAGEMENT

5.A. Cooperative Agreement Management

5.A.1. Description

5.A.1.1.The Cooperative Agreement Management function has six primary purposes: provide dedicated, over-arching execution management of the entire agreement, coordinating execution among Police, Fire, Public Works, City support staff, and City contractors (including utility companies) providing support to this agreement.

a. coordinate directly as one component of a three-part management team with both the local Navy Engineering Field Activity West (EFA West) representatives and City of San Francisco staff.

b. provide resources for City general and administrative (G&A) costs incurred by the City in support of this agreement, including senior City management support, personnel administration, legal counsel, information systems support, contracting support, and financial management support.

c. provide dedicated information system capability to construct and maintain a bridge from Navy controlled information to City controlled information.

d. provide dedicated financial management capability to ensure all Caretaker costs that are allowable and allocable to this agreement are captured.

e. provide dedicated management of plan and blueprint inventory, distribution, and copying of repository located in room 14A of Building 1.

5.A.2. Concept of Operations

5.A.2.1. The Caretaker shall provide a Cooperative Agreement (CA) Manager to lead and manage the City's efforts under this agreement. This CA manager shall coordinate directly with the Director of City of San Francisco Treasure Island Project Staff, the Director of Public Works, the Chief of Police, the Chief of Fire Department, and other City staff members. The CA Manager shall be the City's primary point of contact to the Navy on all matters related to this agreement.

5.A.2.2. The CA Manager shall participate in the development of the full range of functional management plans. The CA Manager shall ensure the functional management plans are carefully developed and submitted for Navy approval by the dates required.

5.A.2.3. The CA Manager shall maintain important data, records, maps, and drawings related to the closed Naval Station.

5.A.2.4.The Caretaker shall establish and maintain appropriate accounting records required to satisfy applicable Federal audit requirements and as backup information for invoices provided to the Navy for payment.

5.A.2.5. The CA Manager and staff shall work cooperatively with the Navy and City of San Francisco staff to develop integrated management processes to ensure effective and efficient use of resources.

5.A.2.6. The CA Management staff shall collocate with the Navy CSO in Building 1 on the closed NS.

5.A.3. Invoice Verification Procedures

5.A.3.1. Quality Assurance Inspections

5.A.3.1.1 The Caretaker shall provide a copy, upon request, of the Caretaker work order listing for all work ordered under the Cooperative Agreement to the CSO OIC.

5.A.3.1.2 The CSO OIC or his designated representative will annotate the work order listing showing the projects, scheduled for completion during the current month, that will be inspected. The listing will then be returned to Caretaker.

5.A.3.1.3. The CSO OIC or his designated representative shall conduct inspections documenting findings using an Inspection Form, and file this form in the monthly invoice verification file for the current month located in the CSO Cooperative Agreement files.

5.A.3.2. Invoice Verification

5.A.3.2.1. The Caretaker shall provide copies of both the *Monthly Expenditure Summary Report* and the detailed *Cooperative Agreement Monthly Reports* to the CSO OIC as soon after their publication as possible (generally the second week of month following the report period). *The Monthly Expenditure Summary Report* is a report prepared by the Caretaker that provides a summary of the current FY budget, direct and indirect costs expended during the month, total monthly costs, cumulative annual costs, FY balance, percent of budget expended and previous month cumulative costs for each budget line item. The detailed *Cooperative Agreement Monthly Report* is a report prepared by the Caretaker which summarizes costs by Work Order No., function charged (or type work accomplished), employee no., date charged, and labor, material, equipment, contract costs, and total costs.

5.A.3.2.2. The CSO OIC or his designated representative will review these reports, applicable Work Request Authorizations, and all inspection reports.

5.A.3.2.3. If no questioned or disallowed costs are noted, the CSO OIC or his designated representative shall forward the invoice (Standard Form 1034 and Standard Form 1035A) to the Grants Administrator for processing of payment . The CSO OIC shall also complete a copy of the Invoice Verification Memorandum and forward this memorandum to the Grants Administrator.

5.A.3.2.4. For any questioned or disallowed costs, the CSO OIC will schedule a meeting with Caretaker to review and reconcile the disputed costs. The meeting will be scheduled to occur within five working days of receipt of Monthly Expenditure Summary Report and the detailed Cooperative Agreement Monthly Report.

5.A.3.2.5. During the meeting outlined above, the CSO OIC, and/or his designated representative, and Caretaker will reconcile all problem areas found by the CSO OIC during the review. The Caretaker will take informal meeting minutes indicating agreed upon changes and disputes and provide a copy to the CSO OIC. The Caretaker will make any agreed upon corrections and resubmit a corrected copy of the monthly expenditure summary to the CSO OIC within two working days of the meeting.

5.A.3.2.6. Immediately upon resubmittal of the corrected copy of the Monthly Expenditure Report, the CSO OIC shall submit the invoice (Standard Form 1034 and Standard Form 1035A)to the Grants Administrator for payment.

5.A.3.2.7. Where Agreement cannot be reached between the parties with regards to the contents of the invoice, the disagreement will be noted and dispute remedied as stipulated under Article X of the Cooperative Agreement.

Copies of all documentation referenced above shall be filed in the CSO invoice verification file.

TECHICAL EXECUTION PLAN
FOR
ANNEX 5
FINANCIAL & PERSONAL PROPERTY MANAGEMENT PLAN

FINANCIAL MANAGEMENT PLAN

This Technical Execution Plan (TEP) for Financial Management will guide the allocation of expenses reimbursable under the Cooperative Agreement between the Treasure Island Development Authority (Authority-and the U.S. Navy and expenses that are not reimbursable under the Cooperative Agreement.

The Authority and the Navy entered a Cooperative Agreement (CA) to assist the Authority with the maintenance of the facilities and infrastructure of the former Naval Base Treasure Island (which includes the portions of both Treasure Island and Yerba Buena Island owned by the Navy) on behalf of the Navy; while the Authority and the Navy negotiate the conveyance of the former Navy base TI. The CA establishes six categories of activities or functions, the Authority will perform for the Navy, as well as a budget for each, as summarized in Table 1, " Cooperative Agreement Services". Additionally, the Authority has leased from the Navy various TI buildings and facilities for interim uses during the negotiation period. The expenses the Authority incurs to maintain and operate buildings and facilities it leases are excluded from reimbursement under the CA.

The Authority established Index Code 210029 to account for the services it performs which are potentially reimbursable for the period 01 October 2000 through 30 September 2001 . The Authority may incur expenses which are greater than the amounts shown in Table 3, CA Invoice Schedule, however, the Navy will not reimburse the Authority for amounts greater than shown in Table 3.

Expenses not reimbursable under the CA will be charged to other Index Codes based on the location and activities the Authority is authorized to undertake through its leases with the Navy. These Index Codes are summarized in Table 2, "Treasure Island Development Authority Budget Summary by Index Code". Note that the expenses the Authority incurs to maintain and operate buildings and facilities it leases are excluded from reimbursement under the CA

The Authority will bill the Navy monthly for expenses incurred under the Cooperative Agreement. For all functions the Authority will bill at the rate of 1/12 of the agreed maximum annual expense and summarized in Table 3.

Table 1: COOPERATIVE AGREEMENT SERVICES		
Functional Annex	Description	Index Code 210011 Budget
1	Public Safety (Police, Fire, Security, Emergency Medical)	$0
2	Telephone Cable Maintenance	$0
3	Grounds Maintenance	$55,000.00
4	Building and Roads Maintenance Services	$25,000.00
5	CA & Personal Property Management	$0
6	Utility Services & Maintenance	$65,000
	TOTAL	$145,000

Table 2: TIDA BUDGET SUMMARY BY INDEX CODE		
Index Code	Description	Budget
210009	Treasure Island Administration	$
210016	Treasure Island Special Events	$
210017	Yerba Buena Island Special Events	$
210018	TI Film Studio & Commercials Rentals	$
210019	TI Film Permits	$0
210020	YBI Film Permits	$0
210021	TI Marina	$
210022	TI Housing	$0
210023	YBI Housing	$0
210010	Federal OEA &EDA Grants	$0
210011	TIDA/Navy Cooperative Agreement	$145,000.00
210012	State of California Grants	$0
	TOTAL	$

Table 3: CA INVOICE SCHEDULE		
Functional Annex	Annual Budget	Monthly Invoice
1-Public Safety	$0.00	$0.00
2-Telephone Cable Maintenance	$0.00	$0.00
3-Grounds Maintenance	$55,000.00	$4,583.33
4- Building and Roads Maintenance Services	$25,000.00	$2,083.33
5-CA & Personal Property Management	$0.00	$0.00
6-Utility Services	$65,000.00	$5,416.67
TOTAL	$145,000.00	$12,083.33

PERSONAL PROPERTY MANAGEMENT PLAN

The Treasure Island Development Authority (TIDA) Project office will provide property management services in a cooperative effort with the CSO until the ultimate conveyance of all property to the City.

A master list of all property issued for re-use and property issued to the caretaker for support of the Cooperative Agreement shall be maintained by the TIDA Project Office in both hard copy and electronic form. The TIDA Project Office will make weekly backups of its data bases.

Property will be requested on a standard form from a City department. The request will flow through the Facilities Manager, the TIDA Executive Director, and the CSO. The Facilities Manager will distribute the property if the request is approved at each level.

The control, inventory, accountability and responsibility to maintain the assigned property shall be the responsibility of the department receiving the property. The receiving department shall be responsible for maintaining the property to City department standards. All City departments that receive property shall maintain it in proper working order for its expected life. All vehicles and equipment received will be surveyed annually and their condition report forwarded to the Facilities Manager and CSO. All surplus property will be disposed of in timely fashion in a way that meets with the CSO's approval. The City Departments shall be responsible for the disposal of property assigned to them.

Technical Exhibit 1-1
Public Safety (Fire Protection and Emergency Services)
Documentation
RECORD KEEPING SERVICES

Records, documentation, recorded or documented instructions and record keeping systems: Fire department recorders, documentation, instructions, reference, training materials, and their systems will include but not be limited to:

a) Fire prevention records, documentation, instructions, reference and training materials.
b) Fire suppression records, documentation, instructions, reference and training materials.
c) Hazardous materials records, documentation, instructions, reference and training materials.
d) Emergency/Medical services records, documentation, instructions, reference and training materials.
e) Fire alarm maintenance records, documentation, instructions, and reference materials.
f) Fire Department communications equipment maintenance records, documentation, instructions, and reference materials.
g) Water system maintenance records, instructions and reference materials.
h) Vehicle maintenance records, instructions, and reference materials.
i) Fire fighting equipment maintenance records, instructions, reference and training materials.
j) Disaster preparedness records, documentation, instructions, reference and training materials.
k) Training records and documentation.
l) Response records and documentation.
m) Utility back-up systems records, documentation, instructions, reference and training materials.
n) Records, and documentation relating to construction, utilities, seismic studies, hazardous material abatement, remodeling and/or retrofitting, and layout.

Technical Exhibit 1-2
Public Safety (Police and Security Services)
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 1-3
Public Safety (Fire Department)
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 2-1
Telephone Cable Maintenance Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 3-1
Grounds Maintenance Services
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 4-1
Building Maintenance Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 4-2
Roads Maintenance Services
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 5-1
Personal Property Management Services
Government Furnished Property

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 5-2
Cooperative Agreement Management Services
Government Furnished Property

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-1
Utilities Services
Government Furnished Property/Equipment

The following property of the Government shall be used by the Caretaker in the implementation of this function:

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Electrical Power Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Water Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Sanitary Sewer Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Natural Gas Services
Government Furnished Property and Equipment

Provided under separate cover to TIDA, due to database size and format.

Technical Exhibit 6-2
Storm Water Control Services
List of Government Facilities

Provided under separate cover to TIDA, due to database size and format.

FUNCTIONAL ANNEX 6

UTILITIES SERVICES

6.1. Description

6.1.1. The Utilities Services function provides for maintenance and operation of electric, natural gas, sanitary sewer, sewage treatment and storm sewer systems by the Caretaker as well as for establishment of rates and collection of revenue to offset operating costs.

6.1.2 The Caretaker may use Building 264 and storage lot 292 at Treasure Island for performance of the Utilities Services function.

6.2 Concept of Operations

6.2.1. Lease of Utility Systems to the Treasure Island Development Authority: It is the intent of the Caretaker to enter into a lease for Navy owned utility systems serving Naval Station Treasure by the signing of EDC/LIFOC for the property. Prior to execution of the planned lease, and within the term of this agreement, the Caretaker will operate utility systems in accordance with requirements of this Annex and of the Technical Execution Plan for Utilities Management which is attached to and made part of this agreement. After execution of the lease, provisions of this agreement pertaining to utilities operations will be extinguished and requirements of the lease will prevail.

6.2.2 Assumption of Environmental and Operating Permits by the Caretaker: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. Specific schedules for transfer of the below listed permits shall be included in the EDC MOA, LIFOC and any other leases entered into by the Navy and the Caretaker.

- State of Calif. – Health and Welfare Agency, Water Supply Permit No. 02-04-90P-3310702
- BAAQMD Permit to Operate Air Emissions Sources for Plant # 479
- RWQCB NPDES General Storm Water Permit No. CAS000001 for Facility WDID No. 23SS012149
- RWQCB NPDES Waste Water Treatment Plant Permit No. CA0110116 Operations Under This Agreement Prior to Leasing
- California Department of Public Works Permit S.F.O.B.B. #16 of 22 November 1944

6.2.3 *Operations*

6.2.3.1 The Caretaker will operate and maintain utility systems at Treasure Island and Yerba Buena Island, as described in the applicable Technical Execution Plan (see paragraph 6.2.3.3), including electric,

natural gas, water, sanitary sewer, storm sewer and sewage treatment systems. The Caretaker will defray associated costs through revenue generated by charging uniform rates established by the Caretaker.

6.2.3.2 All storage and handling of materials and equipment necessary for utility maintenance shall be done in accordance with the Treasure Island Storm Water Pollution Prevention Plan.

6.2.3.3 The Technical Execution Plan (TEP) for this annex is attached and made part of this agreement. The Caretaker agrees to conform to the requirements and guidelines of the TEP that defines the extent of Caretaker responsibility for utilities operations as well as specific operating procedures.

6.2.4 Purchase of Utility Commodities: The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base. The Caretaker remains responsible per modification P00009 of this agreement, and agrees to make payment for back-up electrical power delivered to Treasure Island under Navy contract during fiscal year 1999. Payment will be made by the Caretaker directly to the Pacific Gas and Electric Co. upon submission of invoices by that company to the Navy.

6.2.5 Recovering Funds for Consumption by the Navy: Consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. Estimated Navy consumption is itemized in figure 6-1. Total annual charges will not exceed $48,139.92 annually or $4,011.66 per month.

6.2.5. System Extension and Provision of New Service

6.2.5.1. New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker will recover costs for such work for other Federal users directly from the *benefiting* agency. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required.

6.2.5.2. New Services Required by Lessees or Licensees: The Caretaker may also provide system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease from the Navy during the term of this agreement. Costs for any such work will be recovered by the Caretaker directly from the benefiting Lessee or Licensee and will not be charged to the Navy.

Annex 6, Figure 6-1
Navy Liability for Utilities Consumption
September 99

notes	use	Consumption chargeable monthly	rate	monthly cost	annual cost
[1]	Electricity for CSO (B's 1 and 570)	24 MWH	$121.34	$ 2,912.16	$ 34,945.92
[2]	Natural gas for CSO (B's 1 and 570)	197 MCF	$ 5.10	$ 1,004.70	$ 12,056.40
[3]	Water for CSO	10 KGAL	$ 4.59	$ 45.90	$ 550.80
[4]	Sewer for CSO	10 KGAL	$ 4.89	$ 48.90	$ 586.80
	Totals			$4,011.66	$48,139.92

Notes:
[1] B's 1 & 570 = 10w / sq ft x 9,000 sq ft, 12 hrs per day, 22 days per month = 24 MWH / month.
[2] 30 btu's / sq ft / hr x 9,000 sq ft, 24 hrs per day 365 days per year
[3] 30 GPD / person, 22 days per month assuming average staff including contractors of 15.
[4] equal to domestic water consumption by CSO

TECHNICAL EXECUTION PLAN
UTILITIES MANAGEMENT

Contents

TECHNICAL EXECUTION PLAN
UTILITIES MANAGEMENT

Ref : (a) Cooperative Agreement between the City and County of San Francisco and the U.S. Navy, N62474-97-2-0003, Mod P00012 (period of 01 October 2001 through 30 September 2001)

1.0 Purpose

This document provides general operational procedures for the management of the electric, water, natural gas, and sewer systems on Treasure Island (TI) and Yerba Buena Island (YBI).

2.0 Background (Not used)

3.0 Systems Definitions, Extent of Caretaker Responsibility for Utilities Distribution

The physical extent of each utility system that will be maintained by the Caretaker is as described below. These descriptions apply to all elements of systems on Treasure Island and Yerba Buena Island and water and electric systems deriving in Emeryville and Oakland respectively with the exception of elements of systems serving the U.S. Coast Guard on Yerba Buena island which are beyond designated service points and within the boundaries of Coast Guard owned property. The Caretaker will establish responsibilities within the Coast Guard boundaries through direct negotiations with the Coast Guard.

3.1 Water System: Facilities that are operated and maintained by the Caretaker under the Cooperative agreement consist of the existing water delivery facilities at NAVSTA TI/YBI including:

3.1.1 Supply and delivery pipelines, originating at the supply points for NAVSTA TI/YBI from San Francisco City Distribution System and from the East Bay Municipal Utility District (EBMUD). The Caretaker agrees to conform to all requirements of California Department of Transportation S.F.O.B.B. Permit No. 16 Dated 22 November 1944 as it pertains to operation of the pipeline originating at the East Bay Municipal Utility District service point in Emeryville to the last (upstream) point of attachment of the Bay Bridge on YBI.

3.1.2 Water storage facilities

3.1.3 Water pumping and chlorinating stations

3.1.4 The water pumping station located in pier E23 of the east span of the San Francisco Bay Bridge.

3.1.5 All supply lines that cross through or under any leased or non-leased building for facility that do not serve that building or facility.

3.1.6 For metered buildings and facilities, the Caretaker responsibility ends at the first valve or meter upstream of the building or facility.

3.1.5 For buildings and Facilities that are not metered, the Caretaker responsibility will include all supply lines and water system facilities up to five (5) feet from any building or facility.

3.2 Sanitary Sewer System: Facilities which are operated and maintained by the Caretaker consist of the existing sanitary sewer collection and pumping facilities at NAVSTA TI/YBI, including:

3.2.1 Waste water treatment plant including all facilities within the perimeter fence of the plant and including all piping and appurtenant facilities to the point of discharge to San Francisco Bay.

3.2.2 Waste water-pumping stations

3.2.3 Mainline sewers

3.2.4 Forced mains

3.2.5 Collection and service sewers to the limit of lease holding for leased facilities.

3.2.6 For buildings and facilities which are not leased or otherwise occupied, or which are in use by the Navy or Navy Customers; Collection and service sewers to either [a] the last cleanout upstream of the mainline sewer along the service to the building or facility, or [b] a point five (5) feet from the foundation of the building or facility.

3.3 Storm Water System: Facilities which are operated and maintained by the Caretaker consist of the existing storm water collection and discharge facilities at NAVSTA TI/YBI, including:

3.3.1 Storm water collections system from the transition structure of surface flow entering the below surface piping (including drop inlets and other collection structures). Surface and street flows are not included.

3.3.2 Storm water-pumping stations

3.3.3 Storm water outfalls

3.4 Natural Gas System: Natural gas is delivered to NAVSTA TI/YBI by a supply line owned by the Pacific Gas and Electric Co. (PG&E). PG&E also owns and operates the main meters and pressure reducing stations at the point of delivery. The responsibility of the Caretaker is for all facilities downstream of PG&E facilities including:

3.4.1 Supply and delivery pipeline downstream of the main meter and pressure reduction station located on NAVSTA TI/YBI.

3.4.2 Supply lines to and including that last valve or corporation stop leading to all leased, non-leased, occupied or non-occupied buildings and facilities.

3.5 Electrical Distribution System: Facilities that are operated and maintained by the Caretaker consist of the existing transformation and distribution facilities at NAVSTA TI/YBI, including:

3.5.1 The entire high voltage transmission line serving Treasure Island originating at the point of connection to the breakers at the Port of Oakland's Davis Substation at Point Arnold including overhead and underground elements of the line located on the Fleet and Industrial Supply Center and the Oakland Army Base, the underground element extending from the Oakland Army Base including the junction with

the submarine section of the line and the submarine section including the junction and the underground section of line at Treasure Island to the point of connection at the main Treasure Island substation.

3.5.2 Main substation at NAVSTA TI/YBI.

3.5.3 Distribution system and related equipment between the substations and the end-users.

3.5.4 For metered buildings and facilities, service up to and including the meter.

3.5.5 For buildings and facilities which are not metered or which have dedicated switch-gear or transformers at the building or facility, service to the low side of the dedicated switch-gear or transformer and shall include the dedicated switch gear or transformer.

3.5.6 For buildings and facilities which are not metered and which do not have dedicated switch-gear or transformers at buildings or facilities, service to the weatherhead, building perimeter, or equipment connection.

3.5.7 The Davis Substation at the Fleet and Industrial Supply Center, Oakland, CA.

4.0 Organization and Communication

4.1 Caretaker and Navy: Although there is no requirement for regular meetings between the Caretaker and the Navy, all essential communications (status of environmental clean-up projects, etc.) with the Navy shall be conducted with the appropriate Navy SWDIV ("Southwest Division," the Navy's Facilities Management Headquarters located in San Diego) representative. Notification of planned outages or any other pertinent utilities information shall be forwarded to the Navy Caretaker Site Office with the same consideration and priority as extended to any other utility customer served by the Caretaker.

4.1.1 The Caretaker's Utilities Manager is:

Charles (Chuck) Swanson
Office: TI Bldg 264
Phone: (415) 274-0333 (Home)
Pager: (415) 201-8452

4.1.2 The Navy Representative is:

LCDR M. J. Gough
Office: TI Bldg 1
Phone: (415) 743-4720
Pager: (415) 313-8194

5.0 Preventative Maintenance & Repair Work: Regularly scheduled preventive maintenance and all non-emergency repair work will be executed as determined necessary by the Caretaker. Financial reporting to the appropriate Navy representative is required by provisions of the Cooperative Agreement.

6.0 Trouble Call Response and Reporting

6.1 **Origin and Reception of Trouble Calls:** Trouble calls may be initiated by any customer. The operator at the Caretaker reception desk will, in turn, direct calls requiring response that falls within the scope of the CA to the appropriate Caretaker department or subcontractor. Those requests that do not fall within the responsibility of the CA shall be returned to the initiator with appropriate reason.

6.2 **Caretaker Points of Contact:** In addition to the telephone number of the Caretaker trouble reception desk, the Caretaker shall provide to the Navy Caretaker Site Office an up to date list of telephone numbers for primary Caretaker managers responsible for utilities operations at NAVSTA TI/YBI. This list (see **Caretaker Contacts, Table 6-1**) includes persons at each level of Caretaker management and will be used by the Navy in the circumstances listed below. Individuals on the list will be called in the order listed until contact is made and the requisite responsibility accepted. The Caretaker Contact List will be used when:

[1] Contact cannot be made with the Caretaker trouble reception desk
[2] In cases of emergency
[3] In cases in which responses to trouble calls do not occur within a reasonable time (see response targets of Table 6-2).

Note: Appendix "A" provides operational procedures for Trouble Calls and Emergency response in addition to key points of contact – both Caretaker and Navy.

Table 6-1
Caretaker CONTACTS
For
Trouble Call and Emergency Response

	Name	Title	Number
1	Charles Swanson	Utilities Manager	(W) 415-274-0333 (H) 510-235-7500 (Pager) 415-201-8452
2	Bob Mahoney	Facilities Manager	(W) 415-274-0662 (H) 415-982-4520 Nextel: 850-9696
3	Mario Cuaresma	Senior Stationary Engineer	(W) 415-274-0387 Pager 415-303-0183
AFTER HOURS			
GENERAL EMERGENCY NUMBER: (San Francisco City Distribution Division)			415-550-4956

6.3 **Caretaker Trouble Call Reception, Response Targets and Reporting:** Upon receiving a request from the CSO or other authorized party for trouble call, the Caretaker reception desk will issue a Trouble Call (TC) number which will serve as a key identifier for the call and will be used to track and report on response. The Caretaker will maintain records of all TC#'s issued along with pertinent details on response and resolution and will provide summaries of this information to the Navy Utilities PM as requested.

TABLE 6-2 Labor Hour and Response Targets			
Type of action	TEP paragraph	Urgency and response targets	
		Routine, note [1] RegHours / AfterHours	Emergency, note [2] RegHours / AfterHours
minor, unscheduled repairs	5.0	8hr / NA	4hr / 4hr
major repair work	5.0	8hr / NA	4hr / 4hr

NOTES: [1] Response required during normal working hours only
[2] Response required 24 hrs / day, seven days / week
[3] N/A - No After Hour

7.0 Emergency Response

7.1 Emergency Requirements

7.1.1 Definition: Trouble calls to the Caretaker will be designated as EMERGENCY requirements where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property or to avoid disruption of essential operations. Situations satisfying these criteria may also be observed directly by Caretaker personnel or may be reported to the Caretaker by means other than the normal trouble reception protocol described here. Emergency calls shall be directed to the Caretaker trouble call reception desk at 415-274-0333 or after hours San Francisco City Distribution Division 415-550-4956.

7.1.2Reporting: Direct reporting to the Navy is not required during an event, however, the Caretaker will provide the Navy with a written summary of any "significant event" (major personal injury or death, major property damage, "large" fires for example) that has occurred at TI/YBI.

8.0 System Extension, Provision of New Service

8.1 New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker will recover costs for such work for other Federal users directly from the other Federal users. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required

8.2 New Services Required by the Lessees or Licenses: The Caretaker may also provide system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease. Costs for any such work will be borne by the Lessee or Licensee. The Cooperative Agreement (paragraph 6.2.5) forbids delivery of any utility commodity to a premise under lease or license that is not fully and exclusively metered (exceptions may be granted if plans are in place for the installation of subject meter.)

9.0 Purchase of Utility Commodities: The Caretaker will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base

10.0 Billing and Payment for Utilities Consumption: The Caretaker will defray costs of utility commodities purchased and costs of the operation and maintenance of the utility systems through revenues generated by charging uniform rates established by the Caretaker. The Caretaker will enter into Utility Service Contracts (USC's) with all Federal users including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker and the specific Federal user, including rates. The Caretaker will purchase electricity, natural gas and water including electric power for the east water pump station serving TI and YBI.

10.1 Billing Non-Navy Tenants: The Caretaker will be responsible for billing and obtaining payment from all Lessees, Licensees and non-Navy Federal activities permitted to receive utilities services on the base. Charges to these tenants for use of electricity, natural gas, water and sewer service will be determined by the Caretaker (per Annex 6, paragraph 6.2.3.1). In general, consumption will be read from meters which fully and exclusively measure permitted consumption. Where determined to be more economic, consumption may be determined through engineered estimates prepared by the Caretaker.

10.2 Recovering Funds for Consumption by the Navy: Units of consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. The Cooperative Agreement lists estimated uses and the annual/monthly charges to be billed by the Caretaker.

10.3 Charging for Sanitary Sewer Service: Deleted.

11.0 Outage Management

11.1 Scheduled Outages: The following procedure will be used by the Caretaker for any utility outage not resulting from an emergency or unplanned failure:

11.1.1 Caretaker Action: The Caretaker shall coordinate all outages directly with the applicable parties including the Navy and its contractors. Prior to a scheduled outage, the Caretaker shall contact all customers (including those who may be impacted) that will be impacted and provide the following information:

- Purpose of the outage
- Utilities commodities affected
- Buildings and facilities affected

- Proposed start and completion dates and times.

11.1.2 Coordination by Navy: Navy representative will coordinate the outage request for Navy managed facilities. The Caretaker will coordinate the outage all non-Navy and any affected utilities customers.

11.1.3 Planned Outages: The Caretaker will execute the outage at the agreed upon time. Authorization from the Navy is not required

11.1.4 Disapproved or Cancelled Outages: In cases in which the outage cannot be executed, the Caretaker will revisit all impacted customers and advise them of cancellation or revised outage schedule and why it was necessary.

11.2 Unscheduled Outages: The Caretaker will take immediate action to restore service. Authority from the Navy is not required. An "information-only" notice to the Navy representative is required after the event (verbal or written ok).

12.0 Excavation Management

12.1 Scheduled Excavations: The Caretaker will serve as the initial point of contact for all parties seeking to perform excavations at TI/YBI and will implement procedures to assure that no excavation is permitted without advance clearance with regard to underground utilities (see Annex 6, TEP paragraph 13.0) and from the designated Navy representative for environmental conditions. The following procedure will be used by the Caretaker to obtain Navy concurrence for any excavation not resulting from an emergency or unplanned system failure:

12.1.1 Excavation Process: The Caretaker shall retain established Underground Service Alert (USA) membership for the area encompassing TI/YBI and shall be the initial point of contact for all excavation activities within said region. The Caretaker will locate and, within 48 hours of notification, clearly mark all utilities in the vicinity of proposed excavation prior to start.

12.1.2 Excavation Coordination/Navy Concurrence: Where necessary, the Caretaker will refer excavation requests to the designated Navy representative to ensure environmental conditions of soil in and around the area of the planned excavation site can be conveyed to all parties so that they may plan accordingly.

12.1.3 "Approved" Excavation Requests: In cases in which the excavation plan is acceptable as proposed, the Navy will immediately inform the Caretaker of its concurrence and will provide the Caretaker with any special requirements which may be imposed by the Navy. The Caretaker will then perform the excavation or permit the excavation to be performed by the original requestor at the agreed upon time and in accordance with any special requirements which may be imposed by the Navy.

12.1.4 "Disapproved" Excavation Requests: In cases in which the excavation notification or request cannot be concurred to for environmentally related reason(s), the Navy will propose alternatives in writing to the Caretaker for coordination.

13.0 Marking Utilities Locations:

13.1. Electric, Gas, Water, and Sewer: The Caretaker Utilities Manager will locate and clearly mark all electric, natural gas, water, and sewer utilities. Requests for marking and response handled through the trouble call procedure described in paragraph 6.0, above will conform to the response targets of Table 6-2. In addition, the Caretaker will locate and clearly mark all electric, natural gas, water, and sewer utilities in any area in which the Caretaker proposes performing an excavation (see Excavation Management, paragraph 12.0). Marking shall be made based on the Navy provided base maps and the best available local knowledge. The Caretaker will take best efforts to mark abandoned lines to include steam distribution based on available drawings.

13.2 Telephone and abandoned lines: For telephone and other lines that are not Navy owned, the USA Dig will be notified. Caretaker Utilities Manager will provide San Francisco Telecommunications with copy of approved Dig Permit (primary 415-550-2725, sec 415-550-2747). The Utilities Manager will coordinate marking of these lines. Abandoned lines will be marked if known based on Navy maps.

14.0 Maintenance of Government Furnished Vehicles: The Caretaker has full responsibility for maintenance and repair of Navy-provided vehicles, tools and equipment. The Navy may provide additional equipment, as it becomes available, to support the operation and maintenance at TI and YBI.

15.0 Environmental and Operating Permit Management: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. The Caretaker will comply with all regulatory requirements.

15.1 Storm Water Permit: The Caretaker will completely oversee all monitoring and reporting requirements of the Storm Water General Discharge Permit (issued by RWQCB) and the TI Storm Water Pollution Prevention Plan (sampling, laboratory analysis, and annual report preparation). For the entire duration of the Cooperative Agreement, the Caretaker will support the Navy in the enforcement of permit requirements and the abatement of non-compliance violations noted during tenant/lessee inspections.

Table 15-1

ENVIRONMENTAL PERMITS FOR WHICH THE CARETAKER WILL PERFORM MONITORING AND REPORTING

Item	Permit Type	Issuing Agency	Permit Number	Monitoring Required	Reporting Required
001	NPDES permit for waste water treatment plant	California Regional Water Quality Control Board	CA0110116	Yes	Yes
002	Domestic Water Supply Permit	California Health and Welfare Agency	System No. 3810702	Yes	Yes
003	Permit to Operate all Air Emissions Sources	Bay Area Air Quality Management District	Plant #479	Yes	Yes
004	NPDES permit for storm water discharge	California Regional Water Quality Control Board	CAS000001 Order No.97-03-DWQ Facility WDID No. 238S012140	Yes	Yes

16.0 Responding to Environmental Hazards

16.1 Definition: Environmental hazards, for the purpose of this discussion, are defined as spills or releases of hazardous substances to the soil which pose potential hazards to Caretaker personnel attempting to perform utility systems maintenance or repair or which may pose a threat to human health in general or to the environment. This definition does not include hazardous materials that may be part of utility system equipment or facilities near utility system equipment such as lead or asbestos insulation or lead based paint.

16.2 Awareness: The Navy has undertaken an extensive program under its Installation Restoration Program (IRP) to document and remedy environmental hazards as defined above. Environmental conditions on the base are documented by the *BASEWIDE ENVIRONMENTAL BASELINE SURVEY (1995), SITE SPECIFIC ENVIRONMENTAL BASE LINE SURVEYS (SSEBS)*, and by the *BRAC CLEAN-UP PLAN (BCP)*. Caretaker personnel engaged in utilities operations should be aware of these sources which show locations and types of contamination at NAVSTA TI/YBI in order to avoid unnecessary contact with contaminated soil. The Caretaker will coordinate with the Navy to obtain the most current maps and characterization of the hazards.

16.3 Procedures: Safety procedures normally observed by the Caretaker should be observed at all times in order to minimize contact with contaminated soil. The following procedures should be followed by Caretaker personnel in the event work is required in an area documented to contain contamination or if undocumented contamination is encountered or suspected.

16.3.1 Planned Excavations

16.3.1.1 In conformance with excavation permit request procedures provided under paragraph 12.0, above, the Caretaker will inform the Navy of the location and planned schedule for any excavation (see 12.1.1).

16.3.1.2 The Navy will provide disclosure of environmental conditions in or adjacent to the excavation area. Disclosure will be communicated to the Caretaker in writing in accordance with excavation request/permit procedures (see 12.1.3).

16.3.1.3 The Caretaker will perform the excavation in accordance with Caretaker health and safety practices, and any applicable Federal, State, or local regulations. The Caretaker will perform the excavation using any required protective equipment.

16.3.2 Unplanned Excavations

16.3.2.1 When soil contamination is encountered or suspected in the course of unplanned excavations, the Caretaker will cease work and immediately contact its Environmental oversight office. The Caretaker and the Navy may then evaluate conditions and determine a course of action.

16.3.3 Disposal

16.3.3.1 In any case in which contaminated excavation spoils are produced (either through an approved planned excavation or through an unplanned excavation) determination of proper management and disposition of the spoils will be the responsibility of the Caretaker.

16.3.3.2 The Caretaker shall be responsible for disposal of soil, water, and other contaminated materials generated as a result of Caretakers excavations.

Appendix A

UTILITIES TROUBLE/EMERGENCY CALL REPORTING PROCEDURES AND IMPORTANT CARETAKER/NAVY CALL LIST

GENERAL EMERGENCY NUMBER: (415)-550-4956, San Francisco City Distribution Division (CDD).

Normal Work Day: Routine service calls will be directed to the Caretakers Service Desk for Utility Services @ (415)-274-0333, or page at (415)-201-8452.

1. CDD will receive call, assign a Trouble Call Number (TC#) and record information in TI book.

2. CDD will dispatch trouble call to appropriate unit:

   a. Water Problems – to on call team
   b. Sewer Problems – (415)-648-6882
   c. Electrical Problems – (209)-989-2099
   d. Natural Gas Problems – call PUC "natural gas" plumbers, NOT PG&E

3. CDD will notify, in the order below, the following individuals for emergencies involving environmental issues, broken water mains, downed electric lines, loss of electric power to an area, any sewer overflow/spill, fire, or other emergency involving personal injury or significant property damage:

   a. Charles Swanson (SF TI Utilities Manager) home: (510)-235-7509; pager (415)-201-8452; Nextel:
   b. Robert Mahoney (SF Facilities Manager) home: (415)-274-0662; Nextel: (415)-850-9696
   c. LCDR Mike Gough (US Navy) home: (415)-845-4392; pager: (415)-313-8194; Nextel: (650)-333-4020
   d. If directed, or unable to contact those above, additional notifications for specific problems are (contact the following):
      (1) Civil Disturbance, Traffic or Fire – SF Police @ 911

APPENDIX B

Glossary of Terms and Abbreviations

Term/abbreviation	Full term	Definition
BRAC	Base Realignment and Closure	Department of Defense initiative to "right size" the inventory of U.S. military installations. BRAC also refers to a set of laws passed with the FY93 and 94 defense appropriations acts which establish processes for promoting interim reuse of closed bases and for accelerating transfer of base property to the affected communities.
CA	Cooperative Agreement	A quasi-contractual instrument under which DOD components, such as the U.S. Navy can financially reimburse reuse authorities or affected communities for performing caretaking functions on closed bases.
Caretaker		The term used to refer to the reuse authority or community agency that takes over base caretaker functions under a cooperative agreement. In the case of NAVSTA TI/YBI, the Caretaker is the City and County of San Francisco.
EBMUD	East Bay Municipal Utility District	Local not-for-profit water company providing water to the east end of the Bay Bridge.
EFA West	Engineering Field Activity West	Field activity of the Naval Facilities Engineering Command which has responsibility for closure and disposal of Navy bases in the San Francisco Bay Area. All CSO's are organizational components of EFA West Code 60.
lessee / licensee		Holder of a lease or license issued by EFA West for use of facilities aboard a closed or closing BRAC installation. In general the lessee is the local reuse authority such as ARRA in the case of NAVSTA TI/YBI, Alameda.
NAVSTA TI/YBI	Naval Station Treasure Island	For the purposes of this SOP, NAVSTA TI/YBI is defined as Treasure Island and Yerba Buena Island.
CSO	Caretaker Site Office (Navy)	The Navy office established at a closed base to oversee the caretaker mission. This duty includes coordination of any Cooperative Agreement which may be established.
Navy Public Works	Navy, Public Works Center, San	The Navy's public works organization in the San Francisco Bay Area. PWCSFB has been the owner

Glossary of Terms and Abbreviations		
Term/abbreviation	Full term	Definition
	Francisco Bay	and operator of utility systems on BRAC bases. The command was disestablished under the BRAC initiative on 26 Sept 1997.
PG&E	Pacific Gas and Electric Company	Local for-profit gas and electric utility provider.
Utilities PM	Utilities Project Manager	Individual assigned to utilities project management.
sublessee, sublicensee		Holder of a sublease or sublicense for use of facilities at NAVSTA TI/YBI.

Notes

TREASURE ISLAND DEVELOPEMNT AUTHORITY
City and County of San Francisco

Agenda Item No. 8 **October 9, 2003**

Subject: Resolution Authorizing the Executive Director Authority to Extend the Term of the Sublease for Building 62 with W. Wong Construction Company on Month-to-Month Basis for a Period Not to Exceed October 15, 2004.

Staff Contact: Stephen Proud, Deputy Director, 274-0660

SUMMARY OF PROPOSED ACTION

Staff requests the Authority to adopt a resolution to continue a month-to-month sublease with W Wong Construction, retroactive to March 1, 2003, until October 15, 2004, for the use of Building 62.

DICUSSION

On July 1, 1999, the Authority executed a month-to-month sublease with W. Wong Construction for the use of Building 62 on Treasure Island. Pursuant to the Authority's policy for real property disposition, the Authority approved six month extensions to sublease on February 9, 2000 and September 13, 2000. On March 29, 2001 and February 13, 2002, the Authority approved additional one year extensions of the sublease. On February 28, 2003, the current extension of the sublease expired, and the lease has been in hold over status since that time. The resolution under consideration by the Authority Board would extend the term of the month-to-month sublease until October 15, 2004, and the action would apply retroactively to March 1, 2003.

The sublease provides for use of a portion of Building 62 by W Wong Construction for storage of office-related equipment, files, and records and for no other purpose. The subtenant does not permit any persons to enter or occupy the premises, except for periodic access to the materials stored in the premises, as provided in section 6.2 of the Sublease. The monthly base rent for the facility is two thousand dollars *($2,000.00)*. .

RECOMMENDATION

Staff recommends approval for the Authority to continue a month-to-month sublease with W Wong Construction, retroactive to March 1, 2003, and continuing until October 15, 2004. Further continuation of the sublease beyond October 15, 2004 would require additional Authority approval.

Notes

TREASURE ISLAND DEVELOPEMNT AUTHORITY
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FILE NO. _____ RESOLUTION NO. _____

[Continuation of Month-to-Month Sublease of Building 62]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE TERM OF THE SUBLEASE FOR BUILDING 62 WITH W. WONG CONSTRUCTION COMPANY INC. ON A MONTH-TO-MONTH BASIS FOR A PERIOD NOT TO EXCEED OCTOBER 15, 2004

WHEREAS, on July 1, 1999, the Authority's Executive Director, acting under Section 10 of the Authority's Rules and Procedures for the Transfer and Use of Real Property, adopted by the Authority on March 11, 1998 (the "Transfer Rules"), entered into a month-to-month sublease (the "Sublease"), a copy of which is attached hereto as Exhibit A, with W. Wong Construction Inc. ("Subtenant") for the use of a portion of Building 62 (the "Premises") for the storage of files and records and office related equipment, at a rental rate of Two Thousand Dollars ($2,000) per month; and

WHEREAS, under Section 10 of the Transfer Rules, even a month-to-month sublease has to be separately approved by the Authority if the cumulative term of such sublease exceeds six months; and

WHEREAS, on February 9, 2000 and September 13, 2000, the Authority approved and authorized the continuation of the Sublease on a month-to-month basis for another six months; and

WHEREAS, on March 29, 2001 and on February 13, 2002, the Authority approved and authorized the continuation of the Sublease on a month-to-month basis for additional twelve month periods; and

WHEREAS, the current twelve month extension expired on February 28, 2003; and

WHEREAS, the Sublease has been in hold over status for the past eight (8) months; and

WHEREAS, the Subtenant wishes to continue occupancy of the Premises for an additional 12 months; now therefore be it

RESOLVED: That the Authority hereby approves and authorizes Executive Director to execute an amendment to the Sublease on a month-to-month basis, retroactive to March 1, 2003, and which will expire on October 15, 2004 , provided that nothing herein shall limit the Authority's ability to terminate the Sublease on thirty days notice as provided in the Sublease .

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 8, 2003.

_____

William Fazande, Secretary

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

W Wong Construction Co., Inc.
as Subtenant

For the Sublease of

Building 62 at Treasure Island Naval Station
San Francisco, California

July 1, 1999

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TREASURE ISLAND SUBLEASE

Table of Contents

LIST OF EXHIBITS:

EXHIBIT A -- Master Lease
EXHIBIT B -- Drawing of Premises
EXHIBIT C -- Seismic Report
EXHIBIT D -- Rules and Regulations
EXHIBIT E -- Utilities

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of July 1, 1999, is by and between the Treasure Island Development Authority ("Sublandlord" or "Authority") and W. Wong Construction Co., Inc., a California corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease (the "Master Lease"), a copy of which is attached hereto as Exhibit A, under which the Master Landlord leased to Sublandlord Building 62 (the "Building") located on Naval Station Treasure Island (the "Property"), together with a non-exclusive right to use certain parking adjacent to the Building, but no other (the "Parking"), all as more particularly shown on Exhibit B attached hereto (together, the "Premises").

B. Subtenant desires to sublet all of the Premises from Sublandlord and Sublandlord is willing to sublet the Premises to Subtenant on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. PREMISES

1.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises, including the improvements thereon and the non-exclusive right to use the Parking, all as shown on Exhibit B.

1.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors , and their respective heirs, legal representatives, successors and assigns, and each of them, ("Subtenant's Agents") of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report and the Structural Report referenced in Section 1.2(c) below and the Joint Inspection

Report referenced in Section 6 of the Master Lease. Subtenant further represents and acknowledges that Subtenant has conducted independent investigations by qualified professionals which determined that the load bearing capacity of the floors in the Building are sufficient to support the materials to be stored therein pursuant to this Sublease.

(b) **As Is; Disclaimer of Representations**. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises ("Laws") governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors , and their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below) (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and/or otherwise permitted under this Sublease, (v) the safety of the Premises, whether for the use of Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report. Without limiting Section 1.2 (b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco, (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on the Property and affecting the Building and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or

more feet and/or result in other risks. In that event, there is a significant risk that the Building and any other structures or improvements located on or about the Premises, may fail structurally and collapse.

2. COMPLIANCE WITH MASTER LEASE

2.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein

2.2. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then for purposes of determining the rights and obligations of the Sublandlord and the Subtenant insofar as they relate to one another, the terms of the Master Lease shall govern.

2.3. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any work, services, repairs, repainting, restoration, the provision of utilities, ventilation or air-conditioning services, or the performance of any of Sublandlord's or Master Landlord's obligations under the Master Lease.

2.4. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

3. TERM

3.1. Term of Sublease. The term of this Sublease shall commence on July 1, 1999 (the "Commencement Date") and continue on a month-to-month basis until either party elects, in its respective sole and absolute discretion, to terminate this Sublease by giving the other party at least thirty (30) days written notice, unless sooner terminated pursuant to the terms of this Sublease. Notwithstanding the foregoing, the Sublease shall not extend beyond December 31, 1999 and Subtenant may not hold over or otherwise occupy the Premises beyond such date.

3.2. Effective Date. This Sublease shall become effective on the date (the "Effective Date") upon which the Parties hereto have duly executed and delivered this Sublease.

4. RENT

4.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Two Thousand Dollars ($2,000.00) per month (the "Base Rent"). Base Rent shall be paid to the Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 20.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall prorated based on a thirty (30) day month.

4.2. Additional Charges. In addition to Base Rent, Subtenant shall pay any and all real property taxes, possessory interest taxes and other costs, impositions and expenses related to Subtenant's use of the Premises, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder and all utility charges (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

4.3. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

4.4. Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of the greater of the ten percent (10%) or the interest rate in effect which has been established by the Secretary of Treasury pursuant to Public Law, as described in Section 32 of the Master Lease. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES

5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) No Liens. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) Reporting Information. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

5.2. Evidence of Payment. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

5.3. Other Expenses. This is a "triple net" Sublease. Accordingly, Subtenant shall be responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, maintenance or services necessary for Subtenant's use.

6. USE; COVENANTS TO PROTECT PREMISES

6.1. Subtenant's Permitted Use. Subtenant may use the interior of the Building located on the Premises for storage of files and records and office related equipment only, and for no other purpose. BECAUSE OF CONCERNS REGARDING POTENTIAL SEISMIC

HAZARDS RELATED TO THE STRUCTURAL CONDITION OF THE PREMISES, SUBTENANT SHALL NOT PERMIT ANY PERSONS TO ENTER OR OCCUPY THE PREMISES, EXCEPT FOR PERIODIC ACCESS TO THE MATERIALS STORED IN THE PREMISES, AS PROVIDED IN SECTION 6.2 BELOW. Subtenant may use the parking areas described on Exhibit B for parking only. Any other use of such parking area is strictly prohibited.

6.2. **Subtenant's Access to the Premises**. Subtenant may not occupy the Premises. Subtenant will have access to the Premises only to add and remove materials contained therein and to ensure that such materials remain stored in a reasonably satisfactory condition. Subtenant may not perform any work on or related to such materials within the Premises, including, without limitation, any substantial review or cataloguing of such materials.

6.3. **Rules and Regulations**. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time and which are provided to Subtenant in advance of the enforcement thereof.

6.4. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"), provided that, as provided in Section 28 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

6.5. **No Interference with Navy Operations**. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over the Subtenant's use of the Premises in the event of any conflict, provided, however,

in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operations hereunder.

6.6. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property.

7. ALTERATIONS

7.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions in, to or about the Premises (together, the "Alterations") without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction , installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of such construction at all times.

7.2. **Historic Properties**. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to the Building (i) which will affect the historic characteristics of the Building or modify the appearance of the exterior of the Building without Master Landlord's and Sublandlord's prior written consent or (ii) if such Alterations would preclude qualifying the Building for inclusion on the National Register for Historic places.

7.3. **Ownership of Alterations**. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 7 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Sublandlord, at its sole option and without limiting any of the

provisions of this Section 7, requires as a condition to approval of any such Alterations that such Alterations remain on the Premises following the expiration or termination of this Sublease or unless Sublandlord as a condition of such approval reserves the right to elect by notice to Subtenant not less than fifteen (15) days prior to the end of the Term to have such Alterations remain on the Premises.

7.4. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and may be removed by it subject to the provisions of Section 18 hereof.

7.5. Sublandlord's Alterations of the Building and Building Systems. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Building or the Building Systems, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for purposes stated herein.

8. REPAIRS AND MAINTENANCE

8.1. Subtenant Responsible for Maintenance and Repair. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date or in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty not caused by Subtenant. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

8.2. Utilities. Sublandlord shall provide the basic building utilities and services described in Exhibit E. (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole costs, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay as Additional Charges,

without set of or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

8.3. Floor Load. Without Sublandlord's prior written consent, which Sublandlord may give or refuse in its sole discretion, Subtenant shall not place or install in the Premises any equipment that weighs in excess of the normal load-bearing capacity of the floors of the Building. If Sublandlord consents to the placement or installation of any such machine or equipment in the Premises, Subtenant at its sole expense shall reinforce the floor of the Premises, pursuant to plans and specifications approved by Sublandlord and otherwise in compliance with Section 7 [Alterations] to the extent necessary to assure that no damage to the Premises or the Building or weakening of any structural support will be occasioned thereby.

8.4. Other maintenance Services. Without limiting any of its other obligations hereunder, Subtenant shall provide and perform, at its sole cost, (i) reasonable janitorial services for the Premises, (ii) pest control services required within the Premises, and shall keep the Premises free of all pests at all times and (iii) shall deposit all trash into designated containers in the Building and shall pay for the removal of trash from such designated containers

8.5. No Right to Repair and Deduct. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or and any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

9. LIENS

Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens.

Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

10. COMPLIANCE WITH LAWS

10.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary, provided however, that Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises (including, without limitation, in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty not caused by Subtenant), unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C.S. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below). No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

10.2. Regulatory Approvals.

(a) Responsible Party. Subtenant understands and agrees that Subtenant's use of the Premises and construction of Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ('Indemnify") the Sublandlord, the City and County of San Francisco ("City"") and the Master Landlord including, but not limited to, all of their respective officers, directors, employees , agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting

by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties") against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

11. ENCUMBRANCES

11.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

12. DAMAGE OR DESTRUCTION

12.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire or any other casualty, not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, whether insured or uninsured, which prevents Subtenant from operating the Premises for the purposes stated herein and the cost of repairing such damage exceeds Ten Thousand Dollars ($10,000), either Party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 18 and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 12.1, Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any changes made in strict accordance with the requirements of Section 7 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of such a casualty.

12.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 12.1 above, there

shall be no abatement in the Rent payable hereunder.

12.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13. ASSIGNMENT AND SUBLETTING

13.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises, without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion.

14. DEFAULT; REMEDIES

14.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) Rent. Any failure to pay Rent or other sums, including sums due for utilities, within five (5) days after such sums are due;

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease, provided Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) Vacation or Abandonment. Any abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of

creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

14.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) Terminate Sublease and Recover Damages. The rights and remedies provided by law California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

14.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

15.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights

against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Building due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Indemnified Parties (except as provided in Section 15.1(e) below). Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties , and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES , WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES, the

Indemnified Parties from any and all Losses and any and all claims , demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance form the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Indemnified Parties decision to Sublease the Premises to the Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) Without limiting any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with (i) any construction work or other services that Subtenant may have performed on the Property on behalf of or related to the City or the Authority, whether or not such work has been or may be invoiced or otherwise billed to the City or the Authority, or (ii) Subtenant's prior use or occupancy of any building or other property located on or about the Property.

(h) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(i) Subtenant had made such investigation of the facts pertaining to these waivers and releases it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(j) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which

if known by him must have materially affected his settlement with the debtor.

Subtenant acknowledges that the releases contained herein includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

15.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of the Building due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees, (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises , including the Building, (f) any construction or other work undertaken by Subtenant on or about the Premises whether before or during the Term of this Sublease; or (g) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, or of any trespassers, in, on or about the Premises or any Alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Indemnified Parties. Notwithstanding the foregoing, Subtenant's obligations to indemnify the Indemnified Parties under this Section 15.2 shall remain in full force and effect regardless of whether or not the Indemnified Parties' decision to Sublease the Premises to the Subtenant, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease. Notwithstanding anything contained herein, to the extent such

Losses are not covered by insurance required herein and subject to Section 12.1 above, Subtenant shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) to correct or repair any conditions that existed prior to the Commencement Date of this Sublease or in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty not caused by Subtenant.

16. INSURANCE

16.1. Subtenant's Insurance. Subtenant shall procure and maintain throughout the Term of this Sublease and pay the cost thereof the following insurance:

(a) Property Insurance. Subtenant shall procure and maintain, at its own cost, a standard fire and extended coverage insurance policy insuring the Premises, including, without limitation, the Building and all fixtures, Alterations, furniture and equipment located thereon, in an amount not less than their full replacement value.

(b) Public Liability and Other Insurance. Subtenant shall at all times, at its cost, also maintain insurance for the mutual benefit of Sublandlord and Subtenant against:

(i) Claims for personal injury under a policy of commercial general liability insurance, including without limitation, liquor liability insurance, claims for bodily injury , property damage or employer's liability occurring in or upon the Premises arising from earthquakes or subsidence, in an amount not less than $1,000,000 combined single limit. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(ii) Worker's compensation insurance with employer's liability insurance covering all persons employed and with respect to whom death or bodily injury claims could be asserted against Sublandlord, Subtenant, the Premises or any other Sublandlord property, in an amount not less than $1,000,000 each accident.

(iii) Automobile liability insurance with limits not less than $1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

16.2. General Requirements. All insurance provided for under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Sublandlord.

(a) Should any of the required insurance be provided under a claims-made

form, Subtenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of one (1) year beyond the expiration or termination of this Sublease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Sublease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall be increased by Five Hundred Thousand Dollars ($500,000) over the claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Subtenant as the insured and the Sublandlord as an additional insured.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Sublease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(iii) All policies shall be endorsed to provide thirty (30) days' advance written notice to Sublandlord of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for Sublandlord set forth in the Basic Sublease Information.

16.3. Proof of Insurance. Subtenant shall deliver to Sublandlord certificates of insurance in form and with insurers satisfactory to Sublandlord, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Sublandlord's request, and Subtenant shall provide Sublandlord with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. As to the insurance required pursuant to Section 16.1(b)(1) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Subtenant's indemnity obligations under Section 15.2 above. In the event Subtenant shall fail to procure such insurance, or to deliver such policies or certificates, Sublandlord may, at its option, procure the same for the account of Subtenant, and the cost thereof shall be paid to Sublandlord within five (5) days after delivery to Subtenant of bills therefor.

16.4. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or

any of Subtenant's other obligations or liabilities under this Sublease.

16.5. Lapse of Insurance. Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

16.6. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

16.7. Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, Sublandlord and Subtenant each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Premises and their contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Premises, or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises carried by Subtenant does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Subtenant shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against Sublandlord or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

17. ACCESS BY SUBLANDLORD

17.1. Access to Premises by Sublandlord.

(a) General Access. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) Emergency Access. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) No Liability. Sublandlord shall not be liable in any manner, and Subtenant

hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

17.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

18. SURRENDER

18.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other Encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law.

If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises.

19. HAZARDOUS MATERIALS

19.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human

health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises . Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including. without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Without limiting the foregoing, Subtenant acknowledges and agrees that it shall be bound by and will comply with the environmental protection provisions provided for in Section 13 of the Master Lease.

19.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 15.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against all any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of

the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

19.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease.

20. GENERAL PROVISIONS

20.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of Sublandlord:	Treasure Island Development Authority Treasure Island Project Office 401 Palm Avenue Building 1, Room 217 Treasure Island Attn: Executive Director Fax No.: 415-274-0299
with a copy to:	Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4682 Attn: Michael S. Cohen

Fax No.: (415) 554-4755

Notice Address of Subtenant: W. Wong Construction Co., Inc.,
3650 18th Street
San Francisco, CA 941110
Attn: Mr. Walter Wong, President
Fax No. (415) 864-3838

Notice Address of Master Landlord: Commanding Officer (Code 24)
Engineering Field Activity West
Naval Facilities Engineering Command
900 Commodore Drive
San Bruno, California 94066

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice.

20.2. Estoppel Certificates. Upon Sublandlord's request, Subtenant shall execute, acknowledge and deliver to Sublandlord, or such persons or entities designated by Sublandlord, a statement in writing certifying: (a) the Commencement Date and Term of this Sublease, (b) that this Sublease is unmodified and in full force and effect (or, if there have been modifications, that the Sublease is in full force and effect as modified and stating the modifications), (c) that there are no defaults under this Sublease (or if so, specifying the same), (d) the dates, if any, to which the Rent has been paid, and (e) any other information reasonably required by the Sublandlord.

20.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount of Two Thousand Dollars ($2,000.00) as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's

obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Sublandlord within thirty (30) days of the termination of this Sublease.

20.4. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Rent during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

20.5. Amendments. Neither this Sublease nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

20.6. Authority. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases , indemnities and the disclosure set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

20.7. Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

20.8. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

20.9. Successors and Assigns. Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

20.10. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

20.11. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

20.12. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

20.13. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes al prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein. Notwithstanding the foregoing, the Parties shall make a good faith effort to negotiate mutually acceptable changes to this Sublease, if any, within ninety (90) days of the date hereof, provided however, that such changes, if any, shall be subject to the approval of the Master Landlord.

20.14. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees.

20.15. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

20.16. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

20.17. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

20.18. Relationship of Parties. Sublandlord is not, and none of the provisions in this

Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

20.19. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

20.20. Non-Liability of Indemnified Parties' officials, employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Agreement.

20.21. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

20.22. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20.23. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord

21. SPECIAL PROVISIONS

21.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Building or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

21.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Building and encouraging use of such facilities, all at Subtenant's sole expense.

21.3. Non-Discrimination.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Subleases and Other Subcontracts. Subtenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Form. Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, Subtenant executed and submitted to the HRC Form HRC-12B-101 with supporting documentation.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference

and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

21.4. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Sublease with respect to a Taking.

21.5. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages then to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

21.6. Tropical Hardwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

21.7. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

21.8. Burma (Myanmar) Business Prohibition. Subtenant is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a "prohibited person or entity" as defined in Section 12J.2(G) of the San Francisco Administrative

Code. The Authority reserves the right to terminate this Sublease for default if Subtenant violates the terms of this clause.

Chapter 12J of the San Francisco Administrative Code is hereby incorporated by reference as though fully set forth herein. The failure of Subtenant to comply with any of its requirements shall be deemed a material breach of this Sublease. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 12J of the San Francisco Administrative Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit under this Sublease, or 10% of the total amount of the Sublease, or $1,000, whichever is greatest. Subtenant acknowledges and agrees the liquidated damages assessed shall be payable to the Authority upon demand and may be setoff against any moneys due to the Subtenant from this Sublease.

21.9. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the City or the Authority, including the Premises and the Property. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communication the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

W. Wong Construction Co., Inc.,
a California Corporation

By: _____

Its: _____

Date: 7-13-99

SUBLANDLORD:

The Treasure Island Authority

By: _____

Its: _____

Date: _____

Approved as to Form:

_____
Deputy City Attorney

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda No: 9 **Meeting Date:** 10/08/03

Subject: Resolution Authorizing the Executive Director to Execute a Sublease with San Francisco Cup Class, LLC for a Portion of Pier 1

Staff Contact: Jack Sylvan, Director of Development
(415) 274-0660

SUMMARY OF PROPOSED ACTION
Staff requests approval to execute to a six-month sublease with San Francisco Cup Class, LLC (SFCC) for a portion of Pier 1 at the South Waterfront area of Treasure Island.

BACKGROUND
On May 1, 2003, the Treasure Island Development Authority entered into a month-to-month sublease with the SFCC (formerly America's Cup Media, LLC) for space on Pier 1. At that time, SFCC was in the nascent stage of organizing a four-race series of regattas with America's Cup Class boats competing on San Francisco Bay. SFCC approached the TIDA staff about using a portion of Pier 1 in its search for a home for its operations and storage. TIDA offered the temporary month-to-month sublease through October 2003 to allow SFCC to determine if Pier 1 would meet its needs.

The race series for summer 2003 season has ended and the original month-to-month sublease under the name of America's Cup Media will terminate on October 31, 2003. At this time, SFCC would like to lease approximately 19,000 square feet at the end of Pier 1 for six-months to store the America's Cup Class boats until the race series is expected to resume in Spring 2004. The premises will be used to store the America's Cup Class yachts, containers, a crane and other goods. The rent will be $3,800 per month, a rate consistent with pier rental rates at properties leased by the San Francisco Port Authority.

It is expected that when the SFCC race series resumes in Spring 2004, the attached sublease will be amended to include additional areas required by the SFCC for its full race series operations and brought to the Authority for approval.

RECOMMENDATION
Staff recommends approval.

EXHIBITS
A Sublease between the Treasure Island Development Authority and the San Francisco Cup Class for a portion of Pier 1.

[Sublease of Portion of Pier 1 to San Francisco Cup Class LLC]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SUBLEASE WITH THE SAN FRANCISCO CUP CLASS, LLC (SFCC) FOR A PORTION OF PIER 1 AT THE SOUTH WATERFRONT AREA OF TREASURE ISLAND.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single purpose entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation, and fisheries as to such property; and,

WHEREAS, The Tidelands Trust encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, In order to facilitate productive reuse of the Base, it may be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease or sublicense such property to third-parties or use such property for municipal purposes; and,

WHEREAS, The Treasure Island Development Authority, ("Authority") and the United States Navy, ("Navy"), entered into a master lease on September 4, 1998, for the South Waterfront Area; and,

WHEREAS, The master lease enables the Authority to sublease portions of the master leased area for interim uses; and,

WHEREAS, On May 1, 2003, the Authority entered into a month-to-month sublease with the San Francisco Cup Class LLC (formerly, America's Cup Media LLC) for use of a portion of Pier 1 for storage and operations to facilitate its organization of a America's Cup racing series on San Francisco Bay, and,

WHEREAS, The original month-to-month sublease with SFCC (formerly, America's Cup Media) is scheduled to expire on October 31, 2003; and,

WHEREAS, The SFCC has expressed a desire to continue to sublease a portion of Pier 1 for storage of boats and equipment at least until the race series is expected to resume in Spring 2004; now therefore be it

RESOLVED, that Treasure Island Development Authority Board of Directors hereby authorizes the Executive Director to execute a six-month sublease with the SFCC for a portion of Pier 1.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on October 8, 2003.

_____

William Fazande, Secretary

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

SAN FRANCISCO CUP CLASS LLC
d.b.a. THE CHALLENGE - SERIES
as Subtenant

For the Sublease of

A Portion of Pier 1 at Naval Station Treasure Island
San Francisco, California

November 1, 2003

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

EXHIBIT A -- Master Lease
EXHIBIT B -- Drawing of Premises
EXHIBIT C -- Seismic Report
EXHIBIT D -- Rules and Regulations
EXHIBIT E – Standard Utilities and Services and Rates

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated as of this 1st of November, 2003, is by and between the Treasure Island Development Authority ("Sublandlord") and San Francisco Cup Class, LLC, a [limited liability company], d.b.a. The Challenge - Series ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into the South Waterfront Master Lease dated September 4, 1998, (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property on Naval Station Treasure Island (the "Property"), including among other things, Pier 1 and other land not contiguous to Pier 1 in the southeast corner of Treasure Island.

B. Subtenant desires to sublet approximately 19,000 square feet of southeasterly end of Pier 1 (the "Pier 1 Area"), as shown in the dashed-line area on the map attached hereto as Exhibit B (collectively, the "Premises"), from Sublandlord and Sublandlord is willing to sublet the Premises to Subtenant on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. PREMISES

1.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises as follows.

(a) Immediately upon the execution of this Sublease by both parties, the terms and conditions of this Sublease shall become effective as to the Pier 1 Area.

1.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors , and their respective heirs, legal representatives, successors and assigns, and each of them, ("Subtenant's Agents") of the Premises and the suitability of the Premises for Subtenant's

intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 1.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) **As Is; Disclaimer of Representations**. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises ("Laws") governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors , or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below) (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use of Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or Subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 1.2 (b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,"* prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco, (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the

Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that the Premises and any other structures or improvements located on or about the Premises, may fail structurally and collapse.

2. COMPLIANCE WITH MASTER LEASE

2.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein

2.2. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

2.3. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

2.4. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

3. TERM

3.1. Term of Sublease. The term of this Sublease (the "Term") shall be on a month-to-month basis not to exceed a total of six (6) months, beginning on November 1, 2003 (the "Commencement Date").

3.2 Rights to Terminate. Either party may terminate this Sublease by giving the other party thirty (30) days prior written notice, and this Sublease shall terminate upon the expiration of the thirtieth (30th) day following the giving of such written notice of termination. If this Sublease is terminated pursuant to this Section 3.2, Subtenant shall surrender the Premises in accordance with the provisions of Section 18.1 below. No termination under this Section 3.2 shall relieve Subtenant of its obligation to pay Rent for Subtenant's use or occupancy of the Premises prior to the date of any such termination.

4. RENT

4.1. **Base Rent.** Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord base rent in the amount of (i) Three Thousand Eight Hundred Dollars ($3,800.00) per month for the Pier 1 Area (referred to herein as the "Base Rent"). Base Rent shall be paid to the Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 20.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2. **Additional Charges**. In addition to Base Rent, Subtenant shall pay any and all real property taxes, possessory interest taxes and other costs, impositions and expenses related to the Premises as provided in Section 4 hereof, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder and all utility charges (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

4.3. **Late Charge**. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

4.4. **Default Interest**. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%), provided however that interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES

5.1. **Taxes and Assessments, Licenses, Permit Fees and Liens.**

(a) **Payment Responsibility**. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest**. Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens**. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

5.2. **Other Expenses**. This is a "triple net" Sublease. Accordingly, Subtenant shall be responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, maintenance or services necessary for Subtenant's use.

5.3. **Evidence of Payment**. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

6. USE; COVENANTS TO PROTECT PREMISES

6.1. **Subtenant's Permitted Use**. Subtenant may use the Premises for (i) the storage of America's Cup Class Yachts, (ii) the placement and use of a mobile crane on Pier 1 for the purpose of launching the yachts from Pier 1 subject to Subsection 6.1(a) below and Sublandlord's approval of any such mobile crane prior to bringing it onto Pier 1, (iii) launching the yachts from Pier 1 and removing them from the water onto Pier 1 for storage, (iv) preparing the yachts for

sailing and for storage, (v) storage and use of small rigid inflatable boats to escort and position the yachts, (vi) the placement of containers for the storage of sails and yacht parts, and (vii) other activities reasonably related to the uses and activities described in this Section 6.1, including without limitation, the installation of a temporary, movable perimeter security fence around the boundaries of the Premises, and to place locks on fence perimeter entrances, subject to Subtenant's compliance with the requirements of Section 7.1 below and provided that such perimeter fence and any locks do not interfere with the rights of any of Sublandlord's other subtenants or licensees to use those portions of Pier 1 and other areas on Treasure Island that are not part of Subtenant's Premises. Subtenant shall not use the Premises for any other purpose.

Subtenant shall not place any mobile crane on Pier 1 unless and until (1) Sublandlord has contracted for and received a written report from a structural engineer reasonably satisfactory to Sublandlord indicating that Pier 1 is structurally sound and capable of holding such a mobile crane together with all the yachts and other equipment and activity that Pier 1 is used for, (2) Sublandlord has approved such written report, which approval Sublandlord shall not unreasonably withhold or delay.

(a) Subtenant shall have a non-exclusive, nonpossessory privilege to enter upon and use the streets on Treasure Island and other portions of the Property for ingress and egress to each portion of the Premises.

6.2. **Rules and Regulations**. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time and which are provided to Subtenant in advance of the enforcement thereof.

6.3. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"), provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their

duties with regard to such facilities. To the best knowledge of the Mayor's Treasure Island Project Office, there are no existing Additional Easements or other encumbrances which would materially interfere with Subtenant's use of the Premises.

6.4. **No Interference with Navy Operations**. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over the Subtenant's use of the Premises in the event of any conflict, provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

6.5. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises.

7. ALTERATIONS

7.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any permitted Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord or by program youths and staff under the supervision of qualified professionals, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. The foregoing notwithstanding, Subtenant may install a temporary, movable perimeter security fence around the boundaries of the Premises provided that Subtenant complies with each of items (i) through (v) above and that Subtenant does not drill, excavate, dig, or otherwise break the surface of the ground on or about the Premises without Sublandlord's prior written consent. In no event shall the construction , installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any permitted Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of such construction at all times.

7.2. **Ownership of Alterations**. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of Section 7.1 above shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

7.3. **Subtenant's Personal Property**. All furniture, furnishings and articles of movable personal property and equipment installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and may be removed by it subject to the provisions of Section 18 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

7.4. **Sublandlord's Alterations of the Premises and Premises Systems**. Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the Premises, provided that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for purposes stated herein.

8. REPAIRS AND MAINTENANCE

8.1. **Subtenant Responsible for Maintenance and Repair**. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair subject to this section 8.1. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or non-structural, ordinary or extraordinary, foreseen or unforeseen, replacements,or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date or affecting the Premises which were not caused by Subtenant. Nothing herein shall relieve Subtenant of Subtenant's obligation to make such non-structrural repairs and replacements as may be necessary to bring Subtenant's permitted uses of the Premises in compliance with the Laws in accordance with Section 10.1 below. If any portion of the

Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

8.2. **Utilities**. Sublandlord shall have no responsibility for providing any utilities and services to the Premises whatsoever. Subtenant shall be responsible for furnishing, at its sole costs, any utilities or services that Subtenant may need for its use of the Premises as outlined in Exhibit E. Subtenant shall pay, without set of or counterclaim, all amounts due and owing for such utilities and services directly to and at the rates charged by the providers of such utilities and services.

8.3. **Floor Load**. Without Sublandlord's prior written consent, which Sublandlord may give or refuse in its sole discretion, Subtenant shall not place or install in the Premises any equipment that weighs in excess of the normal load-bearing capacity of the floors of any part of Pier 1 as that load-bearing capacity is described in the structural report referred to and approved by Sublandlord in Section 6.1. If Sublandlord consents to the placement or installation of any such machine or equipment in the Premises, Subtenant at its sole expense shall reinforce the floor of the Premises, pursuant to plans and specifications approved by Sublandlord and otherwise in compliance with Section 7.1 [Alterations] to the extent necessary to assure that no damage to the Premises or weakening of any structural support will be occasioned thereby.

8.4. **Janitorial Services**. Subtenant shall provide all janitorial services for the Premises.

8.5. **Pest Control**. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

8.6. **Trash**. Subtenant shall deposit all trash into designated containers in the Premises. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

8.7. **No Right to Repair and Deduct**. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or and any right of Subtenant to make repairs or replacements and deduct the cost thereof.

9. LIENS

Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

10. COMPLIANCE WITH LAWS

10.1. **Compliance with Laws**. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary, provided however, that Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of (i) any Alterations, (ii) the placement and use of any containers or portable offices on the Premises, or (iii) the presence of any other equipment, facility, or personal property on the Premises made or requested to be made or placed on the Premises by Subtenant or on Subtenant's behalf. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C.S. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below). No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

10.2. **Regulatory Approvals**.

(a) **Responsible Party**. Subtenant understands and agrees that Subtenant's use of the Premises and construction of Alterations permitted hereunder may require

authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ('Indemnify") the Sublandlord and City, including, but not limited to, all of their respective officers, directors, employees , agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties") against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3. **Compliance with Sublandlord's Risk Management Requirements**. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

11. ENCUMBRANCES

11.1. **Encumbrance By Subtenant**. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

12. DAMAGE OR DESTRUCTION

12.1. **Damage or Destruction to the Premises** . In the case of damage to or destruction of the Premises by earthquake, flood or any other casualty, which (i) is not caused by

Subtenant or Subtenant's Agents or Subtenant's Invitees, , and (ii) prevents Subtenant from operating the Premises for the purposes stated herein, Subtenant may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 18 (except for damage caused by the casualty pursuant to which the Sublease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. Except as specifically provided above or in Section 8.1, Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

12.2. **No Abatement in Rent**. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

12.3. **Waiver**. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13. ASSIGNMENT AND SUBLETTING

13.1. **Restriction on Assignment and Subletting**. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises, without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion.

14. DEFAULT; REMEDIES

14.1. **Events of Default**. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Failure to Pay Rent**. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations**. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease, provided Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) **Vacation or Abandonment**. Any abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) **Bankruptcy**. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

14.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by law California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver**. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

14.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord), remedy such Event of Default for Subtenant's account and at

Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

15.1. **Release and Waiver of Claims**. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Indemnified Parties (except as provided in Section 15.1(e) below). Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the consideration and other sums payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties

under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES , WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses and any and all claims , demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance form the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Indemnified Parties decision to Sublease the Premises to the Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

15.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees, (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises , including the Premises, (f) any construction or other work undertaken by Subtenant on or about the Premises whether before or during the Term of this Sublease; or (g) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, or of any trespassers, in, on or about the Premises or any Alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Indemnified Parties. Notwithstanding the foregoing, Subtenant's obligations to indemnify the Indemnified Parties under this Section 15.2 shall remain in full force and effect regardless of whether or not the Indemnified Parties' decision to Sublease the Premises to the Subtenant, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss.

Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to Section 12.1 above, Subtenant shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

16. INSURANCE

16.1. Subtenant's Insurance. Subtenant shall procure and maintain throughout the Term of this Sublease and pay the cost thereof the following insurance:

(a) Property Insurance. Subtenant shall procure and maintain, at its own cost, a standard fire and extended coverage insurance policy insuring the Premises, including, without limitation, the Premises and all fixtures, Alterations, furniture and equipment located thereon, in an amount not less than the full replacement value.

(b) Public Liability and Other Insurance. Subtenant shall at all times, at its cost, also maintain insurance for the mutual benefit of Sublandlord and Subtenant against:

(i) Claims for personal injury under a policy of commercial general liability insurance, including without limitation, claims for bodily injury , property damage or employer's liability occurring in or upon the Premises, in an amount not less than $5,000,000 combined single limit. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(ii) Worker's compensation insurance with employer's liability insurance covering all persons employed and with respect to whom death or bodily injury claims could be asserted against Sublandlord, Subtenant, the Premises or any other Sublandlord property, in an amount not less than $1,000,000 each accident.

(iii) Automobile liability insurance with limits not less than $1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

(iv) Protection and Indemnity insurance, with limits not less than $1,000,000 each occurrence, including coverage for injury or damage to other parties or their property, arising from the operation of any Vessels under this Permit, and including coverage for illness, injury or death of the master or members of the crew, with any deductible not to exceed $10,000 each occurrence.

(v) Water Pollution Liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence and any deductible not to exceed $5,000 each occurrence.

(vi) Coverage for Jones Act benefits and U.S. Longshore and Harbor Workers' Act benefits, each in form and amount acceptable to Authority.

16.2. **General Requirements**. All insurance provided for under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Sublandlord.

(a) Should any of the required insurance be provided under a claims-made form, Subtenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of three (3) years beyond the expiration or termination of this Sublease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Sublease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Subtenant as the insured and the Sublandlord and the Master Landlord as additional insureds.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Sublease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(iii) All policies shall be endorsed to provide thirty (30) days' advance written notice to Sublandlord of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for Sublandlord set forth in the Basic Sublease Information.

16.3. **Proof of Insurance**. Subtenant shall deliver to Sublandlord certificates of insurance and copies of additional insured endorsements in form and with insurers satisfactory to Sublandlord, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Sublandlord's request, and Subtenant shall provide Sublandlord with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. As to the insurance required pursuant to Section 16.1(b)(1) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Subtenant's indemnity obligations under Section 15.2 above. In the event Subtenant shall fail to procure such insurance, or to deliver such policies, endorsements, or certificates, Sublandlord may, at its option, procure the same for the account of Subtenant, and the cost thereof shall be paid to Sublandlord within five (5) days after delivery to Subtenant of bills therefor.

16.4. **No Limitation on Indemnities**. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

16.5. **Lapse of Insurance**. Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

16.6. **Subtenant's Personal Property**. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

17. ACCESS BY SUBLANDLORD

17.1. **Access to Premises by Sublandlord**.

(a) **General Access**. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access**. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to

gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability**. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

17.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

18. SURRENDER

18.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other Encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.4 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law.

If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises.

18.2. **Security Deposit**. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount of Six Thousand Five Hundred Dollars ($6,500) as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 18.2, Sublandlord shall return such security deposit to Sublandlord within forty-five (45) days of the termination of this Sublease.

19. HAZARDOUS MATERIALS

19.1. **No Hazardous Materials**. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises . Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in

compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Without limiting the foregoing, Subtenant acknowledges and agrees that it shall be bound by and will comply with the environmental protection provisions provided for in Section 13 of the Master Lease.

19.2. **Subtenant's Environmental Indemnity**. If Subtenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 15.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against all any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

19.3. Acknowledgment of Availability of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease on file with the Navy.

20. GENERAL PROVISIONS

20.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of Sublandlord	Treasure Island Development Authority Treasure Island Project Office 410 Avenue of the Palms, Second Floor San Francisco, CA 94130 Attn: Executive Director Phone No.: 415-274-0660 Fax No.: 415-274-0299
with a copy to:	Office of the City Attorney City Hall, Second Floor 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Donnell W. Choy Fax No.: (415) 554-4755
Notice Address of Subtenant:	San Francisco Cup Class, LLC 69A Liberty Ship Way Sausalito, CA 94965 Attn: John Sweeny Phone No.: (415) 289-0401 Fax: (415) 289-0402
Notice Address of Master Landlord:	Commanding Officer (Code 24) Engineering Field Activity Southwest Division Naval Facilities Engineering Command 1230 Columbia Street, Suite 1100 San Diego, California 92101

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice..

20.2. **No Implied Waiver**. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment for any sums due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

20.3. **Amendments**. Neither this Sublease nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

20.4. **Authority**. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases , indemnities and the disclosure set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

20.5. **Joint and Several Obligations**. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and

liabilities under this Sublease imposed on Subtenant shall be joint and several.

20.6. **Interpretation of Sublease**. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

20.7. **Successors and Assigns**. Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

20.8. **Brokers**. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

20.9. **Severability**. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other

provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

20.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

20.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes al prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein. Notwithstanding the foregoing, the Parties shall make a good faith effort to negotiate mutually acceptable changes to this Sublease, if any, within ninety (90) days of the date hereof, provided however, that such changes, if any, shall be subject to the approval of the Master Landlord.

20.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees.

20.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

20.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

20.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

20.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

20.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

20.18. Non-Liability of Indemnified Parties' officials, employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Agreement.

20.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

20.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord

21. SPECIAL PROVISIONS

21.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

21.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's

sole expense.

21.3. Non-Discrimination.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Subleases and Other Subcontracts. Subtenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such Subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all Subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Form. Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC").

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference

and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

21.4. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260 et seq.), except as otherwise specifically provided in this Sublease with respect to a Taking.

21.5. MacBride Principles - Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages then to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

21.6. Tropical Hardwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product.

21.7. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

21.8. Prevailing Wages for Construction Work. Subtenant agrees that to the extent any person performing labor in the construction of the Alterations required under Section 7 [Alterations] is paid wages for such labor, such person shall be paid not less than the highest

prevailing rate of wages and that Subtenant shall include, in any contract for construction of such improvements, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant further agrees that, as to the construction of such improvements under this Sublease, Subtenant shall comply with all the provisions of subsection (b) of San Francisco Charter Section A7.204 and Sections 6.33 through 6.45 of the San Francisco Administrative Code that relate to payment of prevailing wages. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord every two weeks during any construction period, certified payroll reports with respect to all persons performing labor in the construction of any of the required alterations.

21.9. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communication the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

San Francisco Cup Class, LLC
, a _____

By:

Its: _____

SUBLANDLORD:
Treasure Island Development Authority

By: _____

Its: _____

Approved as to Form:

DENNIS J. HERRERA
City Attorney

_____

Deputy City Attorney

EXHIBIT A

MASTER LEASE

EXHIBIT B

DRAWING OF PREMISES

EXHIBIT B

DRAWING OF PREMISES

SFCC Premises

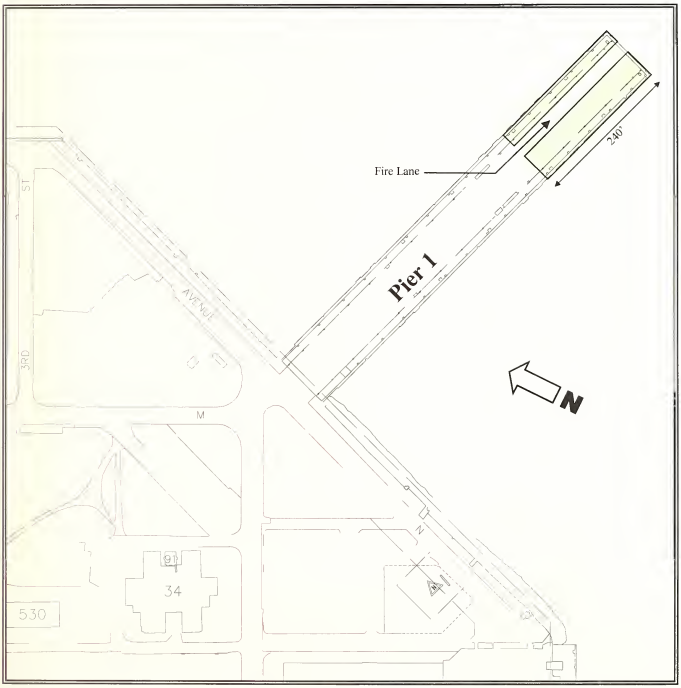

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

TREASURE ISLAND REUSE PLAN

EXISTING CONDITIONS REPORT: VOL. 2

PHYSICAL CHARACTERISTICS, BUILDING AND INFRASTRUCTURE CONDITIONS

AUGUST 1995
SECOND EDITION

PREPARED FOR:
The Office Of Military Base Conversion,
Planning Department, City & County of San Francisco,
and the San Francisco Redevelopment Agency

PREPARED BY:
ROMA Design Group
Cerbatos & Associates Consulting Electrical Engineers
Cervantes Design Associates
Don Todd Associates, Inc.
Manna Consultants, Inc.
Moffatt & Nichol Engineers
Olivia Chen Consultants, Inc.
Takahashi Consulting Engineers
Treadwell & Rollo, Inc.

EXHIBIT D

RULES AND REGULATIONS

Exhibit D

RULES & REGULATIONS

1. DAMAGE TO PROPERTY

(a) In the event any damage is done to any wharf, pier, or other property of the Authority or United States Navy, the person or persons responsible for, causing, or in any way connected with such damage, and the person to whom the pier or other property is licensed or leased, or by whom it is being used, and the master, owner, operator, or agent, of any vessel, vehicle, or other instrumentality involved in such damage, will give a full report to the Authority, giving the date and hour the damage occurred, the names and addresses or descriptions of witnesses and other persons, vessels, or instrumentalities involved in the damage, as well as all other pertinent facts and information that may be available.

(b) Any person causing, or liable for any damage, will be required to pay to the Authority on demand the full cost of repairs, or to reimburse the Authority for the full amount of the damage.

(c) All persons to whom wharves or piers, (or any portions thereof), have been licensed or leased will be held responsible for any damage occurring to such property during their tenancy, unless such person secures and furnishes the Authority with adequate information and evidence fixing the liability on some other responsible person; unless otherwise provided in the license or lease.

(d) Any person failing to comply with these rules may be refused the use of any facility until the Authority has been fully reimbursed for any damage done.

(e) Nothing herein shall exculpate or otherwise relieve the Authority from liability for its own negligence or impose upon others the obligation to indemnify or hold harmless the Authority from liability for its own negligence.

2. DISCHARGE OF OIL UPON NAVIGABLE WATERS

Except in case of emergency imperiling life or property, or unavoidable accident, collision, or stranding, or as otherwise permitted by law, it is unlawful and constitutes a misdemeanor for any person to discharge, or suffer the discharge, or suffer the discharge of oil by any methods, means, or manner, into or upon the navigable waters of the State from any vessel using oil as fuel for the generation of propulsion power, or any vessel carrying or having oil in excess of that necessary for its lubricating requirements, and such as may be required under the laws and prescribed rules and regulations of the United States and this State.

"As used in this section, the term 'oil' means oil of any kind or in any form, including fuel oil, oil sludge, and oil refuse, and the term 'navigable waters of the State' means all portions of the sea within the territorial jurisdiction of the state, and all inland waters navigable in fact in which the tide ebbs and flows." (Harbors and Navigation Code, Section 133.)

No fueling of any vessels or vehicles on the wharf or pier.

3. **EXPLOSIVES, AND OTHER HAZARDOUS AND CARGO**

(a) The handling of explosives and other dangerous articles is subject to all applicable laws, rules and regulations promulgated by the United States, the State of California, the Treasure Island Development Authority, the City and County of San Francisco, and other competent and proper authorities.

(b) Hazardous or dangerous cargo will not be permitted to remain overnight on any wharf unless prior approval is received. The Authority and/or the fire Marshal may cause the removal of such cargo at the expense of, and for the account of, the owner at any time it is deemed necessary.

(c) The Authority has authority to employ, or arrange for the employment of, one or more special watchmen, at the expense of the consignee or owner, to watch any dangerous cargo on any wharf, when in his judgment such action is necessary to protect the property of the City against fire or other hazards.

4. **FENDERS - RULE GOVERNING**

Floating Fenders or Camels shall not be allowed to remain in any slip, channel, basin, or canal without the permission of the Authority, and then only when all the conditions laid down by the Authority have been complied with.

Any person making use of Floating Fenders or Camels will be held responsible for all damage caused by the Camels or Fenders or by such use thereof.

5. **FIRE, WELDING, AND OPEN FLAMES, RULES GOVERNING**

(a) Fire will not be used on board any vessel to heat pitch, tar, or other inflammable substances, while such vessel is in any slip, basin, channel, or canal, or moored to any wharf; however, such fire for the purposes mentioned may be used on boats or floating stages provided such fire is constantly in charge of a person capable of taking proper care of said fire; and provided further, that sufficient emergency fire fighting equipment and fire watchmen, to the satisfaction of the Authority, or Fire Marshal, are present at all times.

(b) No bonfire nor open fire for the burning of rubbish or refuse materials, or for any other purpose, except as provided in this Item, will be allowed on any of the city property under the jurisdiction of the Authority.

(c) No welding or open fire will be allowed on any wharf, or upon any vessel in any slip, channel, basin or canal until and unless in the opinion of the Authority or Fire Marshal, sufficient emergency fire fighting equipment properly manned is present and ready for immediate use. Before any "hot work" is commenced on any property within the area under the jurisdiction of the Authority, application to the Fire Marshal must be obtained. No such work shall be commenced until a written permit therefore is approved.

(d) When "hot work" is to be conducted, operations shall conform to the requirements of Article 18, S.F. Municipal Fire Code.

6. **FIRE EXTINGUISHERS REQUIRED**

All tenants of the Authority are required to furnish, maintain and service portable fire extinguishers in their leased or licensed areas in accordance with the S.F. Municipal Fire Code and U.S. Coast Guard regulations.

7. **FIRE FIGHTING APPARATUS AND EQUIPMENT-RULE GOVERNING**

No person shall obstruct or interfere with the free and easy access to or use of, and no person shall remove, or in any manner disturb, any fire extinguisher, fire hose, fire hydrant, or fire alarm, or any part of any fire sprinkler or protection system, or any other fire fighting appliance or apparatus installed in or located upon any wharf or their structure, except for necessary repairs or tests by any duly authorized person.

8. **LIGHTING OF VESSELS - RULE GOVERNING**

All vessels lying at anchor or moored within 500 feet of Treasure Island or Yerba Buena Island shall show lights in accordance with the applicable Federal, State and local laws, rules, and regulations.

10. **MOORING AT ANY WHARF, DOCK OR LANDING WITHOUT THE CONSENT OF THE EXECUTIVE DIRECTOR**

It shall be unlawful for any person to make any vessel fast, or to cause or permit any vessel to be made fast, to any wharf, dock or landing, or to cause or permit any vessel to remain fastened to any wharf, dock or landing, or to be or remain moored immediately in front thereof, without the consent of the Executive Director. It shall be unlawful for any vessel to remain fastened to any wharf, dock or landing, or to remain moored immediately in front thereof, after the consent to so remain fastened or moored has been revoked or withdrawn by the Executive Director.

Any vessel made fast to or moored in front of any wharf, dock or landing, or remaining fastened to moored in front of any wharf, dock or landing, in violation of this Item, shall be guilty of a misdemeanor or an infraction and further shall be subject to removal by or at the order of the Executive Director and at the expense of such vessel, and its agent or owner, to such other place as the Executive Director may direct.

11. **NON-LIABILITY OF TREASURE ISLAND DEVELOPMENT AUTHORITY**

Neither the Authority nor the City and County of San Francisco shall be liable for loss or damage to any cargo in or upon, or moving or being moved over, in, through, or under any wharf or other structure or property owned, controlled, or operated by the Authority, resulting from any cause whatsoever, including loss or damage which in any manner is caused by or results form the following: pilferage; animals, including rats, mice and other rodents; insects, including moths and weevils; shrinkage; wastage; decay; seepage; leaky containers; heating; evaporation; fire, or extinguishment thereof; explosion; leakage; discharge from

fire protection system; dampness, rain, floods, freezing, frost or other action of the elements; collapse of wharves, piers, or other structures; breakdown of plant, machinery of equipment; floats, logs, or piling required to breast vessels away from wharves; combinations; sabotage; insurrection, revolution, or war; riots; or strikes.

Nothing herein shall be deemed to relieve the Authority from liability for loss or damage to goods or property it may have by law as the result of its own negligence.

12. FUMIGATION PERMIT REQUIRED

Before fumigation is commenced on any property under the jurisdiction of the Authority, permit form No. 507mm shall be presented to the Authority. When fumigation is to be conducted, operations shall comply with the rules and regulations issued by the Port Authority, based upon Article 10, S.F. Municipal Fire Code and other applicable Federal, State and Municipal laws rules and regulations.

13. OBSTRUCTING NAVIGATION

(a) "Every person who unlawfully obstructs the navigation of any navigable waters is guilty of a misdemeanor." (Harbors and Navigation Code, Sec. 131.)

(b) "Every person who, within the anchorage of any port, harbor, or cove of this State, into which vessels may enter for the purpose of receiving or discharging cargo, throws overboard from any vessel all or any part of the ballast, or who otherwise places or causes to be placed in such port, harbor, or cove, any obstructions to navigation, is guilty of a misdemeanor." (Harbors and Navigation Code, Section 132.)

(c) Every person, who deposits or causes to be deposited, in the waters of the harbor of San Francisco, which are subject to the jurisdiction of the Authority, any substance which will sink and form an obstruction navigation, without first obtaining permission, in writing, of the Authority, which permission shall be recorded by the Secretary and shall describe, with an ordinary degree of certainty, the place where the deposit may be made, is guilty of a misdemeanor. (Sec. 1605, Part 2, Ch. 8, S.F. Muni. Code)

(d) No substance that will sink or form an obstruction to navigation or become a nuisance shall be deposited in the waters of San Francisco Harbor without first obtaining the permission of The District Engineer, U.S. Engineers.

14. OPERATION OF MOTOR VEHICLES - RULES GOVERNING

(a) No motor vehicles, except those engaged in the transportation of property or passengers, shall be allowed to enter any wharf; provided, however, that nothing in this paragraph is to be construed as prohibiting access to the wharves and piers by emergency vehicles, or motor vehicles owned by or operated under the jurisdiction of this Authority.

(b) No motor vehicle in an unsafe or dangerous condition shall be allowed on any wharf.

(c) No motor vehicle fuel tank shall be refilled on or about either Treasure Island or Yerba Buena Island.

(d) No Motor vehicle, when actually engaged in transporting, loading, or unloading freight or passengers, shall be allowed to remain on any wharf or other property for an unreasonable length of time.

(e) No motor vehicle shall be allowed to park on any wharf without permission of the Authority, (Sec. 1613, Part 2, Ch 8, S.F. Municipal Code)

(f) San Francisco Police Department - Marine Unit are authorized to strictly enforce these rules, and all motor and other vehicles must comply at all times with orders or directions given by either the Authority or the San Francisco Marine Unit.

15. RESPONSIBILITY OF VESSEL EXTENDING BEYOND END OF WHARF

Vessels will be responsible for any and all damage to themselves or to any other vessel while:

(1) Lying across the end of any wharf except those wharves designed for occupancy at the end of the wharf.

(2) Extending beyond the end of any wharf.

16. SMOKING - RULE GOVERNING

No smoking shall be allowed on any wharf, except in approved areas or locations specifically designated for that purpose. Persons violating this rule may be barred, at the discretion of the Authority, from further use of any wharf, and, in addition, shall be subject to prosecution under the applicable Federal, State and Municipal laws.

17. SPEED LIMIT ON WHARVES AND PIERS

Any person operating or driving a motor or other vehicle upon any wharf shall drive at careful and prudent speed not greater than is reasonable and safe, having due regard to the traffic, surface, and use and condition of the wharf; and no person shall operate or drive a motor or other vehicle upon any such wharf at such a rate of speed as to endanger any person or the property of any person; provided, that it shall be unlawful for any person to operate or drive a motor or other vehicle on any such wharf at a greater speed than ten (10) miles per hour, unless otherwise posted.

Violators of this rule shall be prosecuted to the full extent of the law and may be deprived of the use or privilege of driving into or upon any wharf.

18. LAW ENFORCEMENT

As a condition to the use by any vessel of any property under the jurisdiction of the Authority, the Police must be permitted to board any vessel for police purposes. No person shall hinder or molest any one so authorized, or refuse to allow him to go aboard any vessel for the purpose specified in this rule.

19. NO SANDING, PAINTING OR USE OF HAZARDOUS MATERIALS

Use of any hazardous materials or materials containing chemicals is strictly prohibited as referenced in Section 19 of the Sublease.

20. MONITORING WELLS AND ACCESS

Subtenant acknowledges and agrees that Sublandlord and Master Landlord shall have all of the rights of access to the Premises described in the Master Lease and in Section 17 of the Sublease. Specifically, the Subtenant agrees to protect any monitoring wells from any damage, and shall, at all times provide access to the monitoring wells. Any damage to monitoring wells, caused by Subtenant or any Subtenant officers, agents, employees, contractors, subcontractors of every tier, licensees, or invitees shall be the Subtenant's responsibility to repair at the sole expense of Subtenant.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

EXHIBIT E
Standard Utilities and Services and Rates

1) The sub-lessee agrees to allow the utility suppliers reasonable access to the premises for such operation, maintenance, repair and replacement of these utilities systems as may be required. In executing operation, maintenance, repair or replacement of these systems, all reasonable steps will be taken to limit interference with the use of the Premises by the sub-lessee.

2) Terms and conditions will include the following:

a) Sewage discharge by the sub-lessee to the Navy owned sewer system must meet all requirements of any applicable waste water discharge permit or contact issued by or between the sub-landlord and Bay Area Water Quality Management Board for discharge of sewage from the island.

b) Storm water discharged from the Premises must meet the requirements of permits issued to the sub-landlord in accordance with the National Pollution Discharge Elimination System (NPDES) for discharge of storm water from the station. In addition, the sub-lessee agrees to participate in any storm water quality management program required by applicable local, State, or Federal regulations.

3) The sub-lessee may, with pre-approval by sub-landlord and its own cost, replace, remove, or relocate utility system on the Premises in order to use the Premises, so long as there is no unreasonable interference with use by the sub-landlord of the utility systems and provided the sub-landlord has approved the replacement, removal or relocation in advance. Approval shall not be unreasonably denied or delayed.

The sub-lessee and the sub-landlord hereby agree to the following with respect to Navy-owned utility systems and to sub-landlord-provided utility services:

General

All utility services delivered at the Premises shall be obtained from the sub-landlord in accordance with provisions of Cooperative Agreement N624749720003. The sub-lessee agrees to conform to conditions of service which may be laid out by sub-landlord in addition to the general requirements below. Service from sub-landlord can be obtained by contacting:

San Francisco Public Utilities Commission
410 Avenue of the Palms, Building 1
Treasure Island
San Francisco, CA 94130

Attn: Vic Zorzynski, Project Manager
Treasure Island Public Utilities Commission
(415) 274-0333

Metering

Electric, natural gas and water service will be authorized by the sub-landlord only after installation as required by the Public Utilities Commission (PUC) of meters which fully and exclusively measure consumption on the Premises. Prior to commencement of service the sub-lessee will insure that any additional metering which may be required has been installed by the PUC with written sub-landlord authorization. Unless otherwise stipulated by the PUC, the volume of sewer discharge from the Premises will be assumed to equal water consumption as metered by applicable meters.

Commencement of Services

Service will commence after the sub-lessee has established an account with the PUC and has made any advance service deposit which the PUC may require.

Rates

Until further notice by the sub-landlord, the following rates are in effect:

Utility	Unit	Charge Per Unit
Electricity	MWH (million-watt-hour)	$142.75
Natural gas	MCF (1000 cubic feet)	$ 6.00
Water	KGAL (thousand gallons)	$ 5.40
Sewer	KGAL	$ 5.75

Billing and Payment

Monthly bills for utilities services will be issued by the PUC to the sub-lessee as agreed upon between the sub-lessee and the PUC. Payment to the PUC is due within 10 working days of receipt of the bill. Payment for utility service must be made directly to the PUC.

Failure by Sub-Lessees to Make Payment

Any sub-lessee obligated to make payment for utility services directly to the PUC will be considered in arrears if payment of any bill is not received within 30 working days of presentation to the sub-lessee by the PUC.

Notes

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
October 8, 2003

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. Call to order: 1:35 PM

Roll Call — Present:
Claudine Cheng (Chair)
William Fazande (Vice-Chair)
John Elberling
Marcia Rosen
Douglas Wong

Excused:
Gerald Green
Susan Po-Rufino

2. **Approval of Minutes:** Commissioner Fazande motioned for approval of the August 27, 2003 minutes
Commissioner Rosen seconded the motion
The minutes were approved unanimously

3. **Executive Director Annemarie Conroy gave the Director's Report**
Access and Public Use of Treasure Island: 6th Annual Alzheimer's Walk taking place on Treasure Island in October, Annual Fleet Week events coming up, TIHDI Community Picnic is on October 18th, 100 weddings and parties scheduled for the next year, Treasure Island Triathlon scheduled for November
Environmental Cleanup: Navy has TIDA ESCA numbers and hope that negotiations can begin soon, Site 12 testing continues and good results are coming in
Short Term Leases: No new short term leases
San Francisco/Oakland Bay Bridge Issues: No new issues forthcoming
Community Issues: Fleet Week happening October 10th and 11th, TIDA working to allow large numbers of spectators on the Islands, Community Picnic is October 18th, Next Community Meeting is October 15th on Treasure Island
Citizen's Advisory Board: Next CAB meeting on October 16th on Treasure Island and focus of meeting will be draft EIR
TIHDI: Sherry Williams will report later

Finance Report: Awaiting end of fiscal year numbers which will be available at next meeting. Revenues and expenditures are on track.
Legislation and Hearings Affecting Treasure Island: TIDA made quarterly appearance before Land Use Committee to review schedule for Treasure Island and assured the Board of Supervisors that they will have a major role in the development of the Islands (Copy of schedule provided to Land Use Committee were handed out to TIDA Commissioners) The deadline for public comment on the Draft EIR has been extended until October 21st.

Commissioner Elberling stated that he would like to see more community planning than is shown on the current timelines. Treasure Island is good because there are already community resources in place and we are not starting from scratch. Asked that a community planning timeline be added to the schedule.

Director Conroy stated that negotiations are still ongoing with the State Lands Commission and TIDA staff hopes that they are getting close to a workable agreement with State Lands and hope to get a public plan out soon for public review. Also stated there is pending legislation in Sacramento which will put TIDA back under California Redevelopment Law in regards to staffing the Development Authority. As it is now, there is no flexibility for TIDA in staffing the Authority, all TIDA staff members are currently members of the Mayor's Office on a departmental loan.

Commissioner Elberling stated that this is good progress. Stated that it is important to do necessary strategic and organizational planning for TIDA for "the long haul". Role of TIDA needs to be determined for once development is underway; there are also questions about how role of TIDA is defined as well as how it will be funded. Asked if staff agrees some strategic planning is in order. Would be nice to have these issues in place when a new Mayoral Administration comes in.

4. Communications:
Communications received from the Office of the City Attorney, the San Francisco Ethics Commission, and the TI/YBI Citizens Advisory Board.

5. Ongoing Business by Directors:
There was no ongoing business discussed by the TIDA Board

6. General Public Comment:

Ms. Sherry Williams, of the Treasure Island Homeless Development Initiative, invited the TIDA Board to the Treasure Island Community Picnic on October 18th from 11 am to 3 pm. Planning has been going on for about 6 months. This year there is great representation from all parts of the Treasure Island community. This year there will be a talent show, a reggae band, and a DJ as well as information booths and activities for children. Support has been tremendous from all entities on the Island.

7. Mr. Stephen Proud, TIDA Deputy Director, presented a resolution approving an extension of the Cooperative Agreement between TIDA and the United States Navy. Cooperative Agreement

initially provided grant funding to TIDA, now there is no grant funding provided with Cooperative Agreement. Important to have Cooperative Agreement in place because it provides legal structure for TIDA to provide utility service and other integral facets of operations on Treasure Island. Cooperative Agreement term is from October 1st, 2003 through September 30, 2004.

Commissioner Rosen asked if Navy's determination for amount of administrative budget indicated in Cooperative Agreement is correct compared to TIDA's determination.

Mr. Proud stated that because there is no money coming from the Navy, TIDA has discretion as to how and where to allocate funds.

There was no public comment on this item

Commissioner Rosen motioned for approval of the item
Commissioner Fazande seconded the motion
The item was approved unanimously

8. Mr. Stephen Proud, of TIDA staff, presented a resolution approving an extension of a sublease with W. Wong Construction for Building 62. Staff is asking for a one year extension of this sublease, which will be retroactive to February, 2003 and will continue through October 2004. All other terms of the sublease will remain the same.

Commissioner Cheng asked if the rent has stayed the same since the beginning of the sublease
Mr. Proud stated that compared to commercial leasing in San Francisco this price is on the higher side

Commissioner Rosen requested that the staff summaries in the future include comparable lease pricing in San Francisco so that it is in the public record that TIDA is doing due diligence as to providing competitive leasing prices.

There was no public comment on this item

Commissioner Fazande motioned for approval of the item
Commissioner Wong seconded the motion
The item was approved unanimously

9. Mr. Jack Sylvan, of TIDA staff, spoke regarding the execution of a sublease with San Francisco Cup Class, LLC for a Portion of Pier 1 on Treasure Island. Space is used for storage and operations in conjunction with SFCC's overall operations. Sublease is for a smaller space on Pier 1 than the original sublease as the group is not undertaking much activity over the winter months.

There was no public comment on this item

Commissioner Wong motioned for approval of the item

Commissioner Fazande seconded the motion
The item was approved unanimously.

10. Discussion of Future Agenda Items by Directors:
There were no future agenda items discussed.

11. Commissioner Cheng motioned for adjournment of the meeting
Commissioner Wong seconded the motion
The meeting was adjourned at 2:20 pm

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

WILLIE L. BROWN, JR., MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

November 12, 2003 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton Goodlett Place

Willie L. Brown, Jr., Mayor

DIRECTORS

Claudine Cheng, Chair
William Fazande, Vice-Chair
John Elberling
Gerald Green
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes of October 2, 2003 and October 8, 2003 *(Action Item)*
3. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
4. Communications (*Discussion Item*)
5. Ongoing Business by Directors (*Discussion Item*)

6. General Public Comment (*Discussion Item*) ***In addition to General Public Comment (Item #6), Public Comment will be held during each item on the agenda.***
7. Resolution Authorizing the Executive Director to Execute an Amendment to the Marina Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004 (*Action Item*)
8. Resolution Authorizing the Executive Director to Execute an Amendment to the South Waterfront Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004 (*Action Item*)
9. Resolution Authorizing the Executive Director to Execute an Amendment to the Events Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004 (*Action Item*)

POSSIBLE CLOSED SESSION

If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting

- Public Comment on all items relating to closed session
- Vote on whether to hold closed session to confer with legal counsel. *(Action item)*

10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
    Persons negotiating for the Authority: Annemarie Conroy, Stephen Proud, Michael Cohen
    Persons negotiating with the Authority: United States Navy
    Property: Former Naval Station Treasure Island
    Under Negotiation: Price___ Terms____ Both X

11. Reconvene in open session *(Action item)*
    - Possible report on action taken in closed session under Agenda Item 12. (Government Code section 54957.1 (a) (2) and San Francisco Administrative Code Section 67.12)
    - *Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12).*

12. Discussion of Future Agenda Items by Directors (*Discussion Item*)
13. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

Disability Access

The Treasure Island Development Authority meets at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna.Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director to Execute Amendments to the Marina Master Lease, the South Waterfront Master Lease, and the Events Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004

Agenda Item Nos. 7-9
Meeting of November 12, 2003

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
274-0660

BACKGROUND

On September 4, 1998, the Treasure Island Development Authority, (the "Authority"), entered into Master Lease agreements with the United States Navy, (the "Navy") for the Marina (Lease #N6247498RP00Q01), the Special Events Venues, (Lease #N6247498RP00Q03), and the South Waterfront Lease, (Lease #N6247498RP00P99). On October 9, 2002, the Authority approved a one-year extension to the above mentioned leases which expired on September 3, 2003.

The Marina Master Lease premises consist of Pier 2 and Building 496 as part of the Treasure Island Marina. Buildings 183 and 298 are not part of the Marina, but are included in the overall premises of the Master Lease. Building 183 is the Crossroads Café operated by Delancey Street Foundation and the Life Learning Academy, and Building 298 is currently operated by the Treasure Island Yacht Club.

The premises for the Event Venues Master Lease generally consists of the Casa de la Vista, Fogwatch, Nimitz Conference Center, the Library, soccer and rugby fields and the SF Little League Baseball Field on Treasure Island. On Yerba Buena Island, the premises include the Torpedo Factory and Admiral Nimitz House. While the Casa de la Vista is the most popular special event venue, all of the above mentioned facilities are available for the public to rent for weddings, small parties, and meetings, and help generate income for the Authority.

The South Waterfront Master Lease generally consists of the southern portion of Treasure Island and includes Buildings 1, 2, 3, and 180. Building 1 is the administration building for the Project Office as well as for Treasure Island Homeless Development Initiative, the John Stewart Company, the SF Police Department, SF Public Works, etc. Buildings 2 and 3 are used for special events and the film industry.

RECOMMENDATION

Other than the action under consideration, there have not been any changes to the general terms or overall premises for each Master Lease since the Authority last approved a term extension in October 2002. In anticipation that all or portions of the Base may be available for transfer to the Authority within the next year, the Navy and staff are proposing a one-year extension of the Master Leases. Staff recommends approval for the Executive Director to execute an amendment to the Master Leases to extend the term to September 3, 2004..

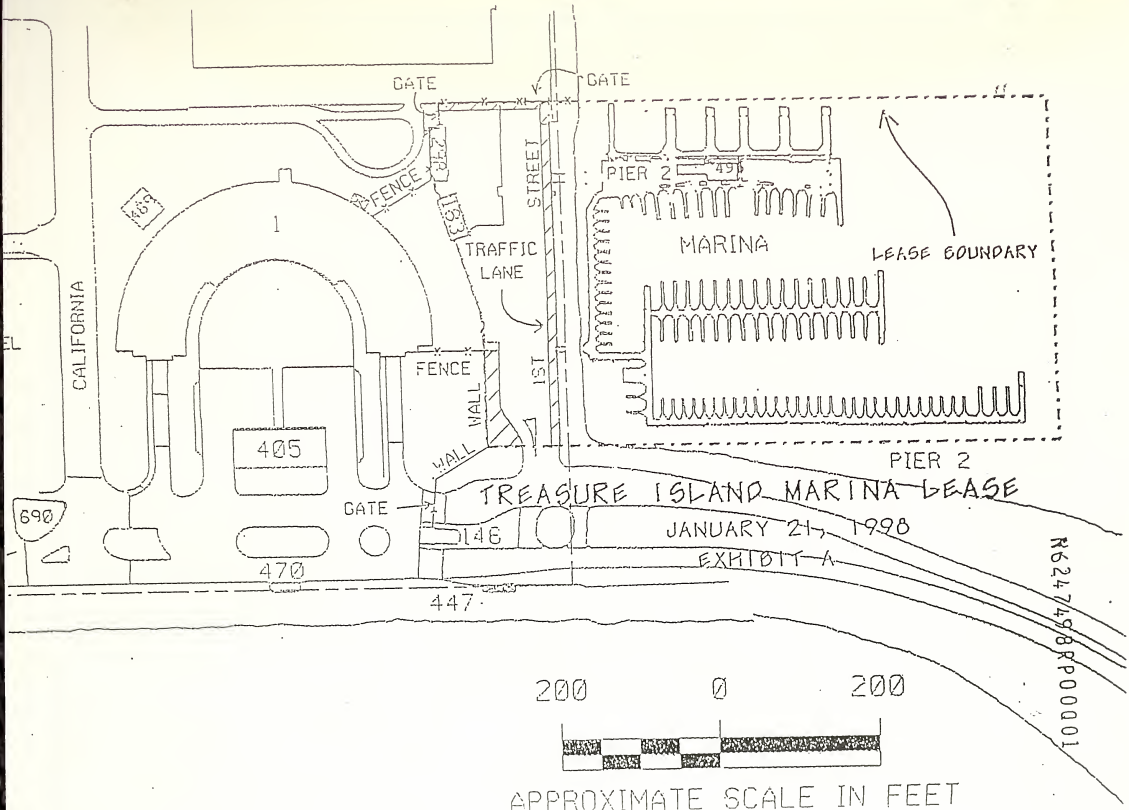
EXHIBITS

A Map of Leased Premises for the Marina Master Lease and copy of Fourth Amendment to Lease Agreement #N6247498RP00Q01 Between US Navy and TIDA

B Map of Leased Premises for the Event Venues Master Lease and copy of Eighth Amendment to Lease Agreement #N6247498RP00Q03 Between US Navy and TIDA

C Map of Leased Premises for the South Waterfront Area and copy of Eighth Amendment to Lease Agreement #N6247498RP00P99 Between US Navy and TIDA

EXHIBIT A


GATE
GATE
FENCE
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183
STREET
PIER 2
49
MARINA
LEASE BOUNDARY
TRAFFIC
LANE
1
CALIFORNIA
FENCE
WALL
WALL
1ST
405
PIER 2
TREASURE ISLAND MARINA LEASE
JANUARY 21, 1998
EXHIBIT A
GATE
146
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447
690
200
0
200
APPROXIMATE SCALE IN FEET
R6247498RP00001

NINTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q01
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2003, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q01 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease Agreement N6247498RP00Q01 is hereby amended to reflect the following;

Paragraph 2. **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of six (6) years beginning on 4 September 1998 and ending on 3 September 2004, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

_____

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____

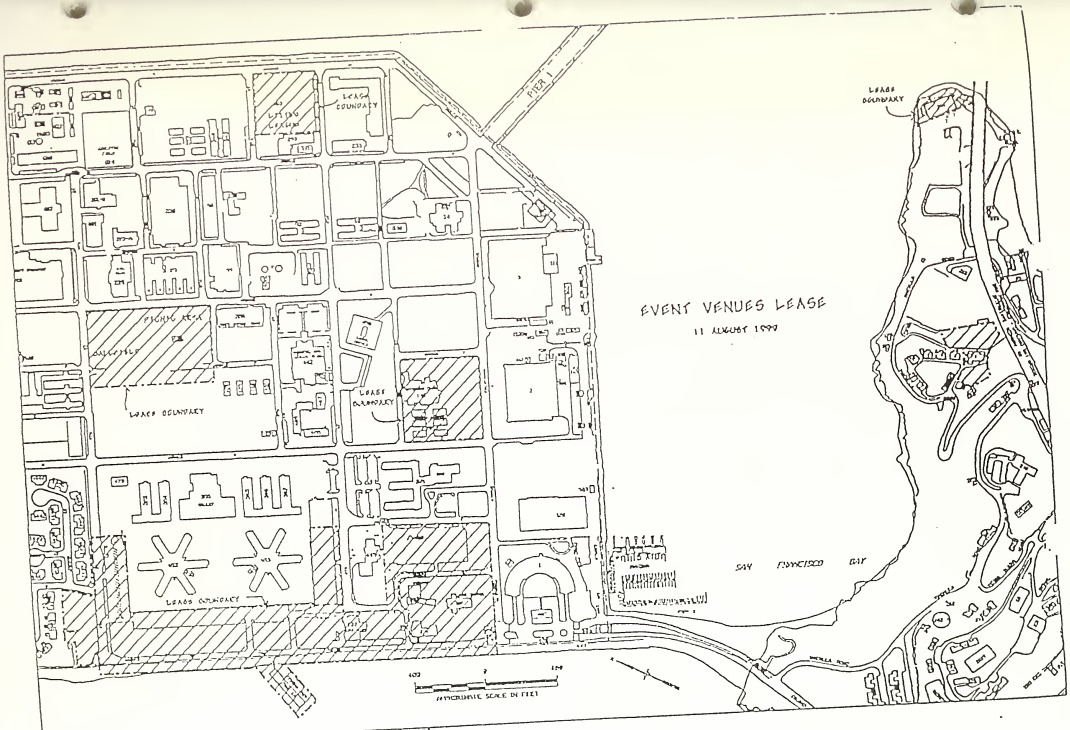
Title_____

APPROVED AS TO FORM:

_____

CITY ATTORNEY

EXHIBIT B



C:\TI_DOTCOM\EVENTS.DGN Aug. 12, 1999 02:20:42 Events Venue Lease: Event(93.00)

NINTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q03
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2003, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q03 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease Agreement N6247498RP00Q03 is hereby amended to reflect the following;

Paragraph 2. **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of six (6) years beginning on 4 September 1998 and ending on 3 September 2004, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

_____

Title WILLIAM R. CARSILLO
REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____

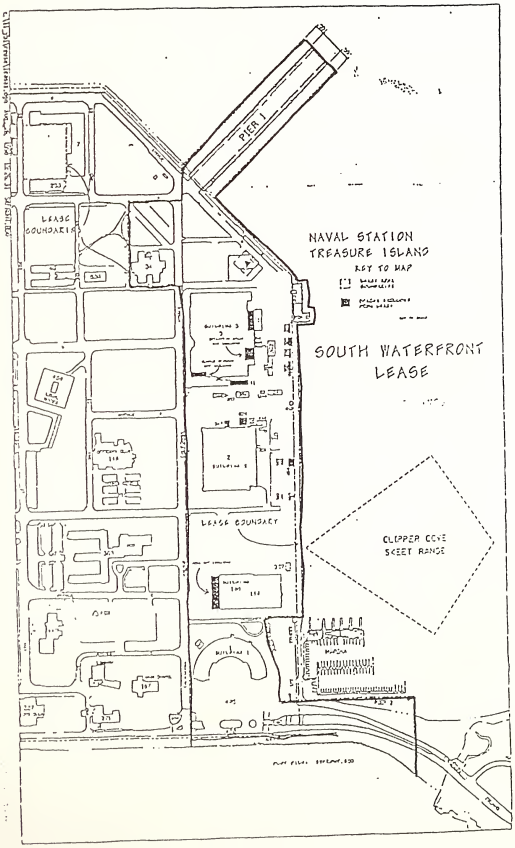
Title_____

APPROVED AS TO FORM:

_____

CITY ATTORNEY

EXHIBIT C


PIER 1
LEASE BOUNDARIES
NAVAL STATION
TREASURE ISLAND
KEY TO MAP
SOUTH WATERFRONT
LEASE
LEASE BOUNDARY
CLIPPER COVE
SKEET RANGE

NINTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2003, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; Lease Agreement N6247498RP00P99 is hereby amended to reflect the following;

Paragraph 2. **Term**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of six (6) years beginning on 4 September 1998 and ending on 3 September 2004, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

_____ WILLIAM R. CARSILLO
Title REAL ESTATE CONTRACTING OFFICER
DEPARTMENT OF THE NAVY

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____
Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

[Amendment to Marina Master Lease with the United States Navy]

Authorizing the Executive Director to Execute an Amendment to the Marina Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, the Authority and the United States Navy, (the "Navy"), entered into a master lease for the Treasure Island Marina, dated September 4, 1998 (the "Marina Master Lease"); and

WHEREAS, the Marina Master Lease enables the Authority to sublease portions of the master leased areas for interim use; and

WHEREAS, the Authority and the Navy wish to amend the Marina Master Lease to extend the term from September 3, 2003 to September 3, 2004; now therefore be it

RESOLVED, that Treasure Island Development Authority Board of Directors hereby authorizes the Executive Director to accept the amendments as proposed by the Navy to extend the term of the Marina Master Lease from September 3, 2003 to September 3, 2004.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on November 12, 2003.

_____

William Fazande, Secretary

Notes

[Amendment to South Waterfront Master Lease with the United States Navy]

Authorizing the Executive Director to Execute an Amendment to the South Waterfront Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, the Authority and the United States Navy, (the "Navy"), entered into a master lease for the South Waterfront, dated September 4, 1998 (the "South Waterfront Master Lease"); and

WHEREAS, the South Waterfront Master Lease enables the Authority to sublease portions of the master leased areas for interim use; and

WHEREAS, the Authority and the Navy wish to amend the South Waterfront Master Lease to extend the term from September 3, 2003 to September 3, 2004; now therefore be it

RESOLVED, that Treasure Island Development Authority Board of Directors hereby authorizes the Executive Director to accept the amendments as proposed by the Navy to extend the term of the South Waterfront Master Lease from September 3, 2003 to September 3, 2004.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on November 12, 2003.

_____

William Fazande, Secretary

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[Amendment to the Events Master Lease with the United States Navy]

Authorizing the Executive Director to Execute an Amendment to the Events Master Lease between the United States Navy and the Treasure Island Development Authority to Extend the Term to September 3, 2004.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, the Authority and the United States Navy, (the "Navy"), entered into a master lease for the Event Venues, dated September 4, 1998 (the "Events Master Lease"); and

WHEREAS, the Events Master Lease enables the Authority to sublease portions of the master leased areas for interim use; and

WHEREAS, the Authority and the Navy wish to amend the Events Master Lease to extend the term from September 3, 2003 to September 3, 2004; now therefore be it

RESOLVED, that Treasure Island Development Authority Board of Directors hereby authorizes the Executive Director to accept the amendments as proposed by the Navy to extend the term of the Events Master Lease from September 3, 2003 to September 3, 2004.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on November 12, 2003.

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William Fazande, Secretary

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
November 12, 2003

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. Call to order: 1:55 PM

Roll Call	Present:	Claudine Cheng (Chair) John Elberling Susan Po-Rufino Marcia Rosen
	Excused:	William Fazande (Vice-Chair) Gerald Green Douglas Wong

2. **Approval of Minutes:** The minutes were not approved because there was not a quorum present of Commissioners who had attended the previous meeting to approve the minutes.

Commissioner Elberling requested that the minutes of the October 2, 2003 Joint Planning Commission and Treasure Island Development Authority Meeting be amended to include his comments on the need for amplifying mitigation measures to show preference for people who reside on the Island to live on the Island

The minutes were continued for approval to the December Treasure Island Development Authority meeting.

3. **Director's Report by Executive Director Annemarie Conroy**
Access and Public Use of Treasure Island: 3rd Annual Treasure Island Triathlon was held recently and was a great success, Stanford University School of Medicine and Oakland Ballet holding fundraisers on Treasure Island, and television series "Monk" will be filming on Treasure Island in November.
Environmental Cleanup: Such items will be discussed today in closed session. Navy has finished trenching program at Site 12 on Treasure Island
Short Term Leases: No new short term leases

San Francisco/Oakland Bay Bridge Issues: Nothing new to report
Community Issues: Next Community meeting is December 17th at 7:00 pm
Citizen's Advisory Board: Next CAB meeting is November 20th.
TIHDI: Sherry Williams will report later
Finance Report: As of July 1, 2003 through September 30, 2003, revenues received total $3 million. Expenses recorded were $1.2 million.
Legislation and Hearings Affecting Treasure Island: Nothing new to report.

Director Conroy stated that due to substantial public comment on draft Environmental Impact Review, there will not be a joint TIDA Board and Planning Commission meeting on December 11th, 2003 as was previously scheduled. This meeting will be rescheduled.

4. Communications:
There were no communications received the previous month

5. Ongoing Business by Directors:
There was no ongoing business discussed by the TIDA Board

6. General Public Comment:

Ms. Sherry Williams, of the Treasure Island Homeless Development Initiative, spoke regarding the Treasure Island Community picnic. Stated that it was a great success and everybody had a wonderful time. Also stated that the triathlon organizers hired about 15 TIHDI members through the TIHDI Job Broker program for set-up and take-down jobs. Stated that the more events like this that are on the Island the more TIHDI can utilize these contacts to help their members with employment opportunities.

7, 8, 9. (*Items called together*) Mr. Stephen Proud, TIDA Deputy Director, spoke regarding extensions of three separate master leases between TIDA and the United States Navy for the events venues, marina, and south waterfront. The marina master lease covers most of the marina and Clipper Cove. The special events venues master lease covers all facilities used on an intermittent basis for special events venues. The south waterfront master lease covers all areas of the south waterfront of Treasure Island not covered by the marina master lease, including Buildings 1, 2 and 3 and the Sailing Center area. Since Treasure Island hasn't been conveyed yet, property is acquired by TIDA for use and sublease through a series of master leases with the U.S. Navy. The renewal of the master lease is for another one year term and all other elements remain unchanged.

There was no public comment on this item

Commissioner Rosen motioned for approval of Item # 7
Commissioner Elberling seconded the motion
The resolution was approved unanimously

Commissioner Rosen motioned for approval of Item # 8
Commissioner Elberling seconded the motion

The resolution was approved unanimously

Commissioner Rosen motioned for approval of Item # 9
Commissioner Elberling seconded the motion
The resolution was approved unanimously

10. There was no public comment on the proposed closed session item.

Commissioner Rosen motioned to hold a closed session
Commissioner Po-Rufino seconded the motion
The motion was passed unanimously

The Treasure Island Development Authority went into closed session at 2:09 PM

11. The Treasure Island Development Authority reconvened in open session at 2:35 PM

Commissioner Elberling motioned to not disclose any discussions held in closed session
Commissioner Rosen seconded the motion
The motion was passed unanimously

12. Discussion of Future Agenda Items by Directors:

Commissioner Rosen stated that there is a joint San Francisco Redevelopment Authority and Planning Commission meeting in January, and it may be helpful for the Planning Commissioners schedules to take this into account when determining the date of the joint TIDA and Planning Commission meeting.

Commissioner Elberling reminded staff of his request to see a community development timeline added to the various development process timelines presented by staff to the Authority at the previous meeting.

13. Commissioner Cheng motioned for adjournment of the meeting
Commissioner Rosen seconded the motion
The meeting was adjourned at 2:40 pm

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
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SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

WILLIE L. BROWN, JR., MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

December 10, 2003 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton Goodlett Place

Willie L. Brown, Jr., Mayor

DIRECTORS

Claudine Cheng, Chair
William Fazande, Vice-Chair
John Elberling
Gerald Green
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes for October 2, 2003, October 8, 2003 and November 12, 2003 *(Action Item)*
3. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
4. Communications (*Discussion Item*)
5. Ongoing Business by Directors (*Discussion Item*)

6. General Public Comment (*Discussion Item*) ******In addition to General Public Comment (Item #6), Public Comment will be held during each item on the agenda.******
7. Resolution Authorizing the Executive Director to Execute an Assignment and Assumption Agreement Transferring the Sublease of 44 Housing Units for Rubicon Programs to Rubicon Villages (*Action Item*)
8. Presentation of Revised Conceptual Land Use Plan by Treasure Island Community Development to Address Issues Related to the Tidelands Trust (*Discussion Item*)
9. Discussion of Future Agenda Items by Directors (*Discussion Item*)
10. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at theTreasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

If you would like to receive TIDA meeting agendas by e-mail, rather than through U.S Postal Service mail, please send your name and e-mail address to TIDA@sfgov.org.

Disability Access

The Treasure Island Development Authority meets at City Hall, 1 Dr. Carlton Goodlett Place. City Hall is accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Administrative Code 16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director To Execute an Assignment and Assumption Agreement Transferring the Sublease of 44 Housing Units from Rubicon Programs to Rubicon Villages

Agenda Item No. 7
Meeting of December 10, 2003

Contact/Phone: Stephen Proud, Deputy Executive Director
274-0660

BACKGROUND

On July 26, 2000, the Treasure Island Development Authority (the "Authority") authorized the Executive Director to execute a sublease for 52 housing units (the "Sublease") with Rubicon Programs, a Treasure Island Homeless Development Initiative ("TIHDI") member organization. On February 28, 2001, the Authority and Rubicon Programs executed the sublease for 44 units, with the remaining eight units subject to environmental remediation by the Navy.

Rubicon Programs has submitted a request to the Authority to assign its interest in the Sublease to Rubicon Villages. As a condition of its loan with the Mayor's Office of Housing ("MOH"), Rubicon Programs was required to form a single asset mortgagor and assign the MOH loan to it as soon as practicable. Rubicon Villages as been established to satisfy that requirement and is structured as a California non-profit public benefit corporation whose board members are and must be appointed by Rubicon Programs. The tax-exempt status has been approved by the IRS and the State of California. Copies of the Articles and By-Laws are attached as Exhibit A.

Exhibit B is a copy of the Assignment and Assumption Agreement that would transfer all of Rubicon Program's rights and obligations under the Sublease to Rubicon Villages. Staff recommends approval of the resolution that would authorize the Authority's Executive Director to execute the Assignment and Assumption Agreement.

[Assignment and Assumption Agreement with Rubicon Villages]

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN ASSIGNMENT AND ASSUMPTION AGREEMENT TRANSFERRING THE SUBLEASE FOR 44 HOUSING UNITS FROM RUBICON PROGRAMS TO RUBICON VILLAGES

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease Real Property, which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development (as such agreement is finally approved and adopted by the Authority and the City, the "TIHDI Agreement"); and

WHEREAS, Under the TIHDI Agreement, TIHDI, among other things, is granted the right, upon satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement (together, the "TIHDI Units"); and

WHEREAS, Rubicon Programs, a member organization of TIHDI, negotiated a sublease for 52 units, which was approved by the Authority Board on July 26, 2000; and

WHEREAS, Due to ongoing environmental remediation activities by the Navy, the Rubicon Programs sublease was executed with only 44 units in the premises; and

WHEREAS, as a condition of a loan with the Mayor's Office of Housing ("MOH") Rubicon Programs was required to form a single asset mortgagor and assign the loan to the entity as soon as practicable; and

WHEREAS, Rubicon Programs formed Rubicon Villages, Inc. as a single asset, California nonprofit public benefit corporation to satisfy the MOH requirement; and

WHEREAS, Rubicon Programs has requested that Sublease be assigned to Rubicon Villages, Inc. and the Authority has prepared an Assignment and Assumption Agreement (attached as Exhibit B to the Staff Summary accompanying this resolution) that will transfer all of Rubicon Programs rights and obligations under the Sublease to Rubicon Villages, Inc.; now, therefore, be it

RESOLVED, That the Authority authorizes the Executive Director to execute the Assignment and Assumption Agreement which will transfer the Sublease from Rubicon Programs to Rubicon Villages, Inc.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 10, 2003.

_____

William Fazande, Secretary

2330257

State of California

OFFICE OF THE SECRETARY OF STATE

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

THE GREAT SEAL OF THE STATE OF CALIFORNIA
EUREKA

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

FEB - 2 2001

Bill Jones

Secretary of State

SecrtState Form CF-107 (rev. 9/98)

2330257

ARTICLES OF INCORPORATION
OF
RUBICON VILLAGES, INC.

A California Nonprofit Public Benefit Corporation

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN 3 1 2001

BILL JONES, Secretary of State

I. NAME

The name of the corporation is Rubicon Villages, Inc.

II. PURPOSE

(a) This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes. The general purpose of this corporation is to have and exercise all rights and powers conferred on nonprofit corporations under the laws of California. This corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

(b) The specific charitable and public purposes for which the corporation is organized are exclusively to benefit and support Rubicon Programs Incorporated, a California nonprofit public benefit corporation, and its purposes in accordance with Section 509(a)(3)(a) of the Internal Revenue Code by (1) providing decent, safe, and sanitary housing for low income persons who are homeless or in imminent danger of homelessness, or who are displaced from urban renewal areas, or displaced as a result of governmental action or a major disaster, where no adequate housing exists for such groups; and (2) providing housing for low income persons, where no adequate housing exists for such groups.

III. AGENT OF SERVICE

The name and address in California of the corporation's initial agent for service of process is Thomas C. Matthews, Rubicon Villages, Inc., 2500 Bissell Avenue, Richmond, California 94804.

IV. DEDICATION AND DISPOSITION

(a) The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member of this corporation or to the benefit of any private individual.

(b) Upon the winding up and dissolution of this corporation, and after paying or adequately providing for the debts and obligations of the corporation, the remaining assets shall

be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes, and which has established and maintained its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), or under the corresponding provision of any future United States Internal Revenue law.

V. LIMITATION OF CORPORATE ACTIVITIES

(a) This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles of incorporation, the corporation shall not carry on any activities not permitted to be carried on by: (i) a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future United States Internal Revenue law; or (ii) by a corporation, contributions to which are deductible under Section 170 of the Internal Revenue Code or the corresponding provisions of any future United States Internal Revenue law.

(b) No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code. This corporation shall not participate in or interfere in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office except as provided in Section 501(h) of the Internal Revenue Code.

VI. DIRECTORS

The number of directors and the manner in which directors shall be chosen and removed from office; the directors' qualifications, powers, duties, and term of office; the manner of filling vacancies on the board of directors; and the manner of calling and holding meetings of directors shall be as stated in the bylaws.

Adopted this 29th day of January, 2001.

Jennifer K. Bell, Incorporator

DECLARATION OF INCORPORATOR

I declare that I am the person who executed the foregoing articles of incorporation, and such execution is my act and my deed.

Date: January 29, 2001

Jennifer K. Bell

OFFICE OF THE SECRETARY OF STATE

RUBICON VILLAGES, INC.

Certification of Incorporator Regarding
Adoption of Bylaws and Appointment
of Initial Directors

I, Jennifer K. Bell, am the incorporator of Rubicon Villages, Inc., a California nonprofit public benefit corporation (the "Corporation"), pursuant to the Articles of Incorporation filed with the Secretary of State on January 31, 2001. I hereby adopt the Bylaws for the Corporation in the form attached to this certification.

I hereby elect the following persons as directors of and officers of the Corporation:

1.	President:	Constance Fraser
2.	Vice-President:	Sondra Hunter
3.	Vice-President:	Jerry Feagley
4.	Vice-President:	Joan Bartulovich
5.	Secretary:	Tom Matthews
6.	Chief Financial Officer:	Gary Bell

Executed this 6th day of February, 2001.

By: Jennifer K. Bell

Jennifer K. Bell

BYLAWS

OF

RUBICON VILLAGES, INC.

BYLAWS OF

RUBICON VILLAGES, INC.

A California Nonprofit Public
Benefit Corporation

ARTICLE 1.
NAME

Section 1.1 The name of this corporation is Rubicon Villages, Inc., (the "Corporation").

ARTICLE 2.
OFFICE

Section 2.1 Principal Office. The principal office for the transaction of affairs and activities of the Corporation is located at 2500 Bissell Avenue, Richmond, California. The board of directors of the Corporation (the "Board") may change the principal office from one location to another by resolution of the Board. Any change need not be noted on these Bylaws, and this section does not have to be amended to state the new location.

Section 2.2 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to conduct its activities.

ARTICLE 3.
MEMBERS

Section 3.1 The Corporation shall have no members.

ARTICLE 4.
DIRECTORS

Section 4.1 Powers.

(a) Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, all powers and activities of the Corporation shall be exercised directly by or under the ultimate direction of the Board.

(b) In addition to all other powers conferred by law, the Board, on behalf of the Corporation, is empowered:

(1) To construct, operate, maintain and improve, and to buy, sell, convey, assign, mortgage, or lease any real estate and personal property necessary and incident to the provision of housing for homeless low income households and low income households.

(2) To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business, to secure the same by mortgage, pledge, or other lien.

Section 4.2 Number of Directors. The number of directors shall be between five (5) and nine (9) as determined by a resolution of the Board.

Section 4.3 Compensation and Reimbursement of Directors. The directors shall serve without compensation though they may be reimbursed for their expenditure of monies on behalf of the Corporation.

Section 4.4 Restriction on Interested Persons as Directors. No more than 49 percent of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the corporation for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the corporation.

Section 4.5 Appointment, Term of Office and Qualification of Directors.

(a) The initial directors shall be appointed by the Corporation's incorporator. All subsequent directors shall be appointed by the board of directors of Rubicon Programs Incorporated ("Rubicon"). Appointment of directors shall take place at any regular or special meeting of the board of directors of Rubicon held for that purpose.

(b) The term of office for each director shall be three (3) years. The Board may establish staggered terms for directors by resolution of the Board. The board of directors of Rubicon shall appoint a director upon the expiration of a director's term. Directors whose terms have expired may continue to serve as directors until a replacement is appointed. Directors may be reappointed for an unlimited number of successive terms.

Section 4.6 Vacancies on the Board. A vacancy shall be deemed to exist in the event that the actual number of directors is less than the authorized number for any reason.

Section 4.7 Removal of Directors. The board of directors of Rubicon may remove any director with or without cause. Absence of a director from three or more consecutive board meetings shall constitute cause for removal.

Section 4.8 Resignations of Directors. Except as provided below, any director may resign by giving written notice to the president or secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the board of directors of Rubicon shall appoint a successor to take office as of the date when the resignation becomes effective. Except on notice to the Attorney General of California, no director may resign if the corporation would be left without a duly appointed director.

Section 4.9 Filling Vacancies. Vacancies shall be filled by the board of directors of Rubicon.

Section 4.10 No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 4.11 Meetings of the Directors. A regular meeting shall be held once a year at such time and place as shall from time to time be fixed by the directors for the purpose of organization, election of officers and the transaction of other business.

Section 4.12 Special Meetings. Special meetings of the Board for any purpose may be called at any time by the president, any vice president, the secretary, or any two directors.

Section 4.13 Notice. Notice of regular and special meetings shall be given to the directors not less than four (4) days prior to the meeting if delivered by first class mail or not less than forty-eight (48) hours prior to the meeting if the notice is delivered personally or by telephone. The notice must state the date and time of the meeting and the place of the meeting if it is other than the principal office of the corporation.

Section 4.14 Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 4.15 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting of which a quorum is present shall be the act of the Board.

Section 4.16 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment to another time and place shall be given to the directors who were not present at the time of the adjournment.

Section 4.17 Acting Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 4.18 Meetings by Conference Telephone. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all persons participating in the meeting can hear one another. Participation by directors in a meeting in the manner provided in this section constitutes presence in person at the meeting.

Section 4.19 Committees of Directors. The Board may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of three or more directors, to serve at the pleasure of the Board. Appointments to such committees shall be by majority vote of the directors then in office. Any committee, to the extent provided in the resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

(a) Fill vacancies on the Board or on any committee;

(b) Fix compensation of directors for serving on the Board or any committee;

(c) Amend or repeal bylaws or adopt new bylaws;

(d) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

(e) Appoint any other committees of the Board or the members of these committees;

(f) Spend corporate funds to support a nominee for director after there are more people nominated for director than can be elected.

Section 4.20 Committee Meetings. Meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of this Article Four concerning meetings of directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws concerning meetings of directors.

Section 4.21 Standard of Care - General. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Corporation whom the director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing director, as described in Section 4.23 of these Bylaws, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

Section 4.22 Standard of Care - Investments. Except with respect to assets held for use or used directly in carrying out the Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Corporation's capital. The provisions of Section 4.21 of these Bylaws shall apply to this Section 4.22.

Section 4.23 Self-Dealing Transactions. Except as provided below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is one in which the Corporation is a party and in which one or more of the directors has a material financial interest or a transaction between the Corporation and any entity in which one or more of its directors has a material financial interest. The Board may approve a self-dealing transaction if a majority of the Board, not including the self-interested director, determines that the transaction is fair and reasonable to the Corporation and, after reasonable investigation under the circumstances, determines that it could not have secured a more advantageous arrangement with reasonable effort under the circumstances.

Section 4.24 Inspection. Every director shall, at his or her own expense, have the absolute right at any reasonable time during the business hours of the Corporation to inspect and copy all books, records, and documents, and to inspect the physical properties of the Corporation.

ARTICLE 5.
OFFICERS

Section 5.1 Officer of the Corporation. The officers of the Corporation shall be a president, a vice president, a secretary, and a chief financial officer. The Corporation may also have, at the Board's discretion, additional vice presidents, one or more assistant secretaries, additional assistant financial officers, and such other officers as may be appointed in accordance with Section 5.3 of these Bylaws. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as the president.

Section 5.2 Election of Officers. The officers of the Corporation, except those appointed under Section 5.3 of these Bylaws, shall be chosen annually by a majority of the Board and shall serve at the pleasure of the Board. Officers elected in accordance with this Section 5.2 must be chosen from among the directors of the Corporation.

Section 5.3 Other Officers. The Board may appoint or may authorize the president, or other officer, to appoint any other officers that the Corporation may require. Officers of the Corporation appointed in accordance with this Section 5.3 may be appointed from among persons who are not directors of the Corporation. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

Section 5.4 Removal of Officers. Any officer may be removed with or without cause by the Board and also, if the officer was appointed by an officer, by the officer who appointed him or her.

Section 5.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the president or secretary of the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless

otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall not affect the rights, if any, of the Corporation under any contract to which the officer is a party. Nor shall the resignation of any officer from the office he or she holds affect his or her position as a director of the Corporation.

Section 5.6 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office. However, vacancies may be filled as they occur.

Section 5.7 Reimbursement of Expenses. The Corporation shall provide reimbursement for monies expended on behalf of the Corporation by its officers.

Section 5.8 President. The president shall preside at meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to the president by the Board. Subject to the control of the Board, the president shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers.

Section 5.9 Vice Presidents. If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 5.10 Secretary. The secretary shall have the following duties:

(a) The secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of the meetings shall include the time and place that meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized and the notice given.

(b) The secretary shall keep or cause to be kept, at the Corporation's principal office, a copy of the Articles of Incorporation and Bylaws of the Corporation, as amended to date.

(c) The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The secretary shall keep the corporate seal (if any) in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 5.11 Chief Financial Officer. The chief financial officer shall have the following duties:

(a) The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The chief financial officer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times during the business hours of the Corporation.

(b) The chief financial officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the president and the Board, when requested, an account of all transactions as chief financial officer and of the financial condition of the Corporation, and shall have other powers and perform such other duties as the Board or the Bylaws may prescribe.

ARTICLE 6.
MISCELLANEOUS

Section 6.1 Fiscal Year. The fiscal year of the Corporation shall end each year on December 31.

Section 6.2 Corporate Seal. The Corporation may have a seal which shall be specified by resolution of the Board. The seal may be affixed to any corporate instruments, as directed by the Board or any of its officers, but failure to affix it shall not affect the validity of the instrument.

Section 6.3 Contracts. All contracts entered into on behalf of the Corporation must be authorized by the Board, or where the contract is for less than $5000, by the President.

Section 6.4 Execution of Checks. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of the Corporation shall be signed by such individuals as are authorized by the Board.

Section 6.5 Indemnification. The Corporation shall indemnify its directors, officers, employees, and agents, including persons formerly occupying any such position, to the fullest extent permitted by law, against all expenses, judgments, fines and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceeding, whether it is civil, criminal, administrative or investigative.

In all cases where indemnification is sought, the Corporation shall be subject to the following restrictions and requirements:

(a) Where the action or proceeding is brought on behalf of the Corporation or involves self-dealing transactions, as defined in Section 4.23 of these Bylaws, the Corporation shall not indemnify against amounts paid in settlement or judgment amounts, but shall, upon the express authorization

of the Board, indemnify the director, officer, employee or agent against expenses incurred in defense of an action arising from his or her relation to the Corporation. To indemnify in such cases the Board must find the person met the statutorily prescribed standard of care by acting (1) in good faith, (2) in the best interests of the Corporation, and (3) with the care of an ordinarily prudent person.

(b) Where the person seeking indemnification under this section has been held liable to the Corporation, or has settled his or her liability to the Corporation, the Corporation shall not indemnify against expenses without the approval of the court or the Attorney General.

(c) The Board shall determine whether the person seeking indemnification has acted in accordance with the standard of care set forth in subsection (a) of this section by a majority vote of a quorum consisting of disinterested directors. The termination of any proceeding in a manner adverse to the defendant seeking indemnification shall not create a presumption that such person failed to meet the standard of care.

(d) Where the person seeking indemnification has been successful on the merits in defense of any action or proceeding brought on behalf of the Corporation or in defense of any claim or issue involved in such action or proceeding, the Corporation shall indemnify against all expenses actually or reasonably incurred.

(e) The Corporation shall not advance any money to the person seeking indemnification for the purpose of defending against any action or proceeding without the receipt of an undertaking by such person to repay all advances unless it is ultimately determined that he or she is entitled to indemnification.

Section 6.6 Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any director, officer, employee or agent of the Corporation against any liability asserted against or incurred by the director, officer, employee or agent in such capacity or arising out of the director's, officer's, employee's or agent's status as such, whether or not the Corporation would have the power to indemnify the director, officer, employee, or agent against that liability under law. However, the Corporation may not purchase insurance to protect self-dealing directors (as defined in Section 4.23 of these Bylaws) from liability.

Section 6.7 Reports to Directors. If the Corporation has more than twenty-five thousand dollars ($25,000) in gross receipts in any fiscal year, the president shall furnish a written report at the first regular meeting of the next fiscal year to all directors containing the following information:

(a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

Regardless of the gross receipts of the Corporation, the president must furnish a written report to all directors that lists any transaction during the prior fiscal year involving one thousand dollars ($1,000) or more between the Corporation or a subsidiary and any director or officer of the Corporation or a subsidiary. The report must disclose the name of the director or officer and the person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest. The president must also furnish an annual written report to all directors disclosing the amount and circumstances of any indemnifications or advances aggregating more than one thousand dollars ($1,000) paid during the prior fiscal year to any officer or director of the Corporation.

Section 6.8 Amendment of Bylaws. The Bylaws may be amended or repealed and new Bylaws adopted by the vote of a majority of all the members of the Board. Such amended or newly adopted Bylaws shall take effect immediately.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary of Rubicon Villages, Inc., a California nonprofit public benefit corporation (the "Corporation); and

(2) That the foregoing Bylaws, comprising 10 pages, constitute the Bylaws of the Corporation as duly adopted by action of the Board of Directors of the Corporation duly taken on ~~February~~ March 20, 2001.

IN WITNESS THEREOF, I have hereunto subscribed my name, this 21st day of ~~February~~ March, 2001.

Tom Matthews

Tom Matthews

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Sublease between TIDA and Rubicon Programs, Incorporated, to Rubicon Villages, Inc)

This Assignment and Assumption Agreement ("Agreement") is made as of August 1, 2003 (the "Effective Date"), by and between **Rubicon Programs Incorporated**, a California nonprofit public benefit corporation ("Rubicon"), **Rubicon Villages, Inc.**, a California nonprofit public benefit corporation ("RVI"), and the **Treasure Island Development Authority**, a California nonprofit public benefit corporation ("TIDA")

A. Pursuant to a Sublease dated as of February 28, 2001, TIDA, as Sublandlord, leased forty-four (44) units on Treasure Island in San Francisco (the "Property") to Rubicon. The Property is described on Exhibit A attached hereto and incorporated herein by reference.

B. Rubicon borrowed money to rehabilitate the Property from the City and County of San Francisco (the "City").

C. The City requested Rubicon that form an affiliated tax-exempt nonprofit entity to own the Property and assume Rubicon's obligations under the loans from the City. Rubicon formed RVI in response to the City's request.

D. RVI has received Internal Revenue Code Section 501(c)(3) tax exempt status from the Internal Revenue Service.

E. Rubicon desires to assign to RVI, and RVI desires to accept an assignment of, all of Rubicon's rights and obligations under the Sublease

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Rubicon hereby assigns to RVI all of Rubicon's rights and obligations under the Sublease. Rubicon shall indemnify and hold harmless RVI from any claims, damages, losses, liabilities or other matters arising from or in connection with the Sublease prior to the Effective Date.

2. Acceptance. RVI hereby accepts such assignment and agrees to be bound by the terms of the Sublease, including but not limited to the payment of all amounts due to TIDA under the Sublease. RVI shall indemnify and hold harmless Rubicon from any claims, damages, losses, liabilities or other matters arising from or in connection with the Sublease on or after the Effective Date.

3. Release of Rubicon. RVI hereby releases Rubicon from all obligations imposed under the Sublease.

4. Payment of Obligations. RVI agrees that all amounts due from Rubicon pursuant to the Sublease shall be assumed by RVI.

5. Consent to Assignment. TIDA hereby consents to the assignment of the Sublease from Rubicon to RVI and hereby releases Rubicon from all obligations imposed under the Sublease.

6. Representations. Rubicon and TIDA each hereby represent and warrant that (a) they have not previously assigned, pledged, hypothecated or otherwise transferred any of their respective rights under the Sublease, and (b) to the best of their respective knowledge there are no defaults under the Sublease or any matters which, with the giving of notice and/or passage of time, would constitute a default under the Sublease.

7. No Other Amendments. Except as amended by this Agreement, the Sublease shall continue unmodified and in full force and effect.

8. Authority. Each party represents and warrants that it has the full power and authority to sign this Agreement and perform its obligations hereunder.

9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original an all of which, when taken together, shall constitute one document.

10. Effective Date. This Agreement shall be effective as of the date first written above (the "Effective Date").

Signatures on Following Page

In witness whereof, the parties have executed this Agreement as of the date first written above.

RUBICON:

Rubicon Programs, Incorporated
a California nonprofit public benefit Rubicon

By: _____

Its: _____

RVI:

Rubicon Villages, Inc., a California nonprofit public benefit corporation

By: _____

Its: _____

TIDA:

Treasure Island Development Authority, a California nonprofit public benefit corporation

By: _____

Its: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A
Legal Description of the Property

The Site referred to in this Agreement is a subleasehold interest I the land situated on Treasure Island in the City and County of San Francisco, State of California, described as follows:

Street addresses:

1105 13th Street (aka 1105 Bigelow Court), 1117 13th Street (aka 1117 Keppler Court); 1246 and 1248 Gateview Avenue; 1252 Exposition Drive, 1410 and 1412 Flounder Court; and 1408 Sturgeon Street

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation of Revised Conceptual Land Use Plan by Treasure Island Community Development To Address Issues Related to the Tidelands Trust

Agenda Item No. 8
Meeting of December 10, 2003

Contact/Phone: Annemarie Conroy, Executive Director
Stephen Proud, Deputy Executive Director
274-0660

BACKGROUND

On June 14, 2000, the Authority authorized the issuance of a Request for Qualifications for a Primary Developer ("Primary Developer RFQ") for former Naval Station Treasure Island. On February 1, 2001, Treasure Island Community Development ("TICD") submitted a response to the Primary Developer RFQ and on July 11, 2001, the Authority determined that TICD met the evaluation criteria set forth in the RFQ. Subsequently staff was directed to prepare a focused Request for Proposal ("RFP"), which was issued to TICD on April 15, 2002.

On July 2, 2002, TICD submitted its initial response to the RFP to the Authority (the "Draft Proposal"). Copies of the Draft Proposal were provided to the Authority Board, members of the Treasure Island Citizens Advisory Board, the San Francisco Board of Supervisors, and interested members of the public. Over the following months, TICD made presentations of the Draft Proposal at several public meetings held in San Francisco and on Treasure Island to solicit input from the public. In addition, the Treasure Island/Yerba Buena Island Citizen's Advisory Board (the "CAB") and its subcommittees held numerous meetings to discuss the Draft Proposal and prepare comments that were forwarded to the Authority Board.

On January 2, 2003, TICD submitted its revised proposal for the Authority's consideration. Copies were sent to the Authority Board and the members of the CAB for their review. The CAB and its subcommittees again held several meetings to review the proposal and provided their comments to the Board. TIDA staff met with a consultant team to evaluate the proposal in the context of the criteria set forth in the RFP. In March 2003, staff presented its analysis to the Authority Board and determined that proposal prepared by TICD met the criteria of the RFP. Based on the analysis presented by staff, on April 9, 2003, the Authority Board authorized the Executive Director to enter into an exclusive negotiating agreement ("ENA") with TICD for the redevelopment of former Naval Station Treasure Island.

TIDELANDS TRUST

The Draft Proposal submitted by TICD in July 2002, contemplated "lifting" the Tidelands Trust designation from portions of Treasure Island proper and placing the Trust designation

onto portions of Yerba Buena Island. Under the terms of the RFQ, the Authority indicated that proposals for the redevelopment of Treasure Island could include a trust exchange and that such an exchange could assume an acre for acre exchange.

In response to the Draft Proposal, the California State Lands Commission ("SLC") suggested several changes to TICD's land use plan that would improve the likelihood of executing a trust exchange. In the revised proposal submitted in January 2003, TICD responded to the SLC comments and made several notable changes to the land use plan, including:

- Expanding the open space areas along the western and eastern shoreline;
- Programming additional public uses along the western shoreline, including new retail uses;
- Including a new roadway along the western shore to provide greater public access;
- Pushing residential uses further into the interior of the island; and
- Clustering residential development on Yerba Buena Island to provide greater access to areas designated as trust recipient sites on YBI.

In the analysis of the January 2003 proposal, both the Authority staff and the staff of the SLC noted that the revisions to the plan represented positive changes and that they would improve the overall configuration of a proposed trust exchange. However, the SLC staff also noted additional amendments to the plan would be necessary to form the basis of an exchange of public lands.

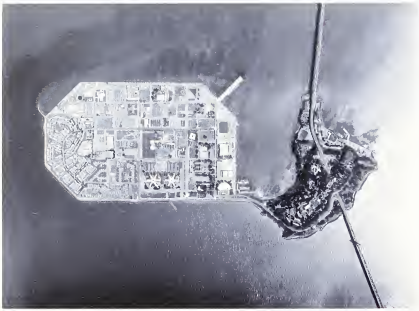
Since the approval of the ENA in April of 2003, the Authority has been working with the SLC staff and TICD to further refine the January 2003 conceptual land use plan. Based on feedback from the SLC staff, the Authority believes the revised conceptual land use plan will support an effective trust exchange, subject to verification of an appraisal that the land placed in the trust is of equal or greater value than the land being removed from the trust. While the staff of the SLC has indicated that the revisions to the conceptual land use plan are favorable for a trust exchange, the final determination of any proposed exchange will be subject to specific state legislation.

This agenda item provides an opportunity for TICD to present and solicit comments from the Authority Board on the revisions to the conceptual land use plan (a copy of the presentation highlighting the changes is attached as Exhibit A). TICD will also make the same presentation to the Treasure Island/Yerba Buena Island CAB at their meeting scheduled for December 11, 2003.

Next Steps

As noted above, to execute a trust exchange, the lands placed in the Trust must have equal or greater value than the lands removed from the Trust. To make this determination regarding the value of the respective parcels, the Authority, in conjunction with the SLC, will conduct

of an appraisal of the properties in accordance with the revised conceptual land use plan. In addition, staff will work with staff of the SLC to prepare the formal maps and draft the state legislation necessary to support a trust exchange.



Treasure Island Revised Concepts
December, 2003

TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC

Treasure Island Community Development, LLC
703 Market Street, 18th Floor
San Francisco, CA 94103
(415) 536-0280

10 December 2003

Ms. Claudine Cheng, Chair
Treasure Island Development Authority
410 Avenue of Palms, Bldg. 1, Second Floor
San Francisco, CA 94130

Dear Ms. Cheng:

Dear Ms. Cheng:

Treasure Island Community Development, LLC ("TICD") is pleased to provide you with this update of our proposed land use plan for the redevelopment of Treasure Island and Yerba Buena Island, showing additional revisions we have made to the plan following numerous meetings with local and state officials and members of the community.

TICD initially presented a draft land use plan to the TIDA and TI Citizens Advisory Board in July 2002. Between July 2002 and December 2002, TICD participated in over 30 public meetings to discuss that plan. TICD took those comments and on January 2, 2003, we presented a revised land use plan to you and the TI CAB. This revised land use plan was again reviewed by the public at numerous public meetings. On March 20, 2003, TIDA found that TICD's revised plan met the requirement of the terms of the RFP and authorized staff to prepare an Exclusive Negotiation Agreement. On April 9, 2003, TIDA approved the ENA.

Since April 2003, the Board of Supervisors Land Use Subcommittee, the TI CAB, and staff of the California State Lands Commission have received presentations concerning various aspects of our revised land use plan and each of those parties have provided feedback and comments on the revised plans we submitted in January 2003. We anticipate ongoing opportunities to bring updates on our plans to TIDA

and to the TICAB as our work together continues and in that light will also be discussing our plan updates with the TICAB this week at their regular meeting.

The following items represent the most significant areas of feedback we received and the actions we have taken to respond.

	Areas of feedback	**Plan revisions to respond**
Ferry Terminal Arrival	Provide more open space, physical and visual linkages to the full system of waterfront spaces and activities at the ferry terminal arrival. Create an active commercial setting (retail, hotel, public uses) that invites people to Treasure Island.	• Significant expansion of public open space • Removal of residential units at the Ferry arrival in favor of uses that invite active public use • Extension of the serpentine park to the Ferry and to the east edge of the island
Golden Gate District	Provide a major, permanent open space at the northwest of Treasure Island with no development past a certain boundary. Reduce the number of streets that extend across the park.	• Limit line established assuring full extent of park area • Reduction in number of streets crossing the park
Island Core	Use the Serpentine to reinforce and facilitate visual and physical waterfront access. Move more housing into the Island Core.	• Broaden and extend Serpentine with major presence at the Ferry arrival and along the east edge of the island • Move housing from the shoreline to the center of the island
Cityside District	Pull development footprint further back from the west shoreline.	• New plan uses the maximum setback distance in the previous plan as the minimum setback for all future structures. • District as a whole reduced to a narrow north/south band with housing moved to the center of the island.

East Bayside District	Pull development footprint further back from the east shoreline	• New plan uses the maximum setback distance in the previous plan as the minimum setback for all future structures. • District as a whole significantly reduced to allow for major expansion of Serpentine Park to the east shoreline • Housing moved to the center of the island
Yerba Buena Island	Consolidate development sites and protect views from the top of YBI	• Development sites now consolidated into three contained areas • Major expansion of public passive recreation and panoramic viewing area at the highest points on YBI

The following diagrams represent additional revisions to our land use plan that address the feedback and comments we've received since January 2003 and provide an update to the land use plan we propose to develop. These revisions address the key issues described above. As you will see, there is a renewed focus on the waterfront along all of the edges of TI to ensure and expand upon the invitation for regional, national, and international use. Streets have been minimized and housing has been pulled back from the water's edge. New housing has been programmed for the Island Core and housing on Yerba Buena Island has been designed to consolidate development sites and to expand the potential for public access to views from the top of YBI. New commercial activities inviting public use are programmed for Clipper Cove and the ferry terminal arrival plaza and the major park in the Golden Gate District has been enhanced. We believe that these new revisions make our land use plan even better than it was before.

We look forward to having a continued dialogue with you on our land use plans and want to thank you in advance for your consideration of them.

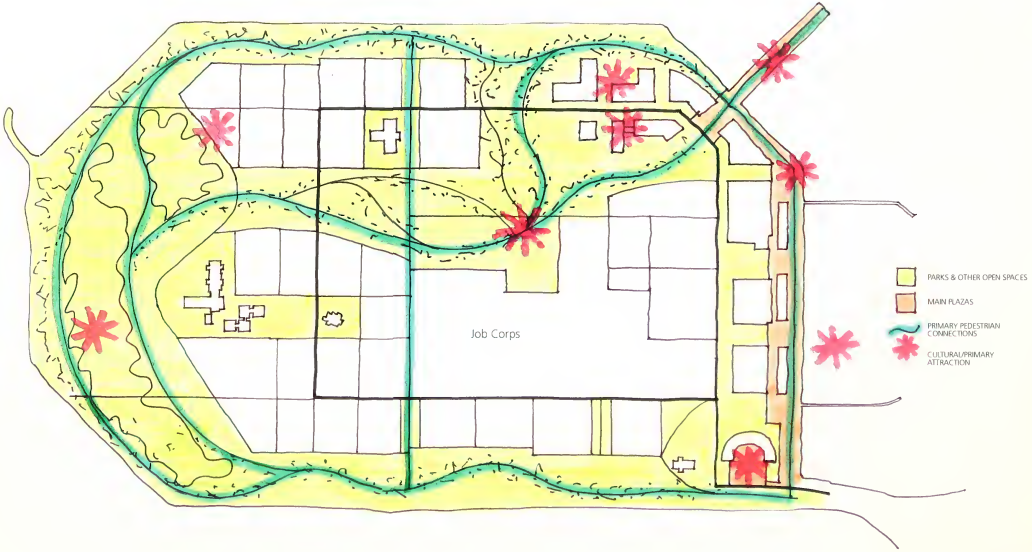
Very truly yours,

Jay Wallace

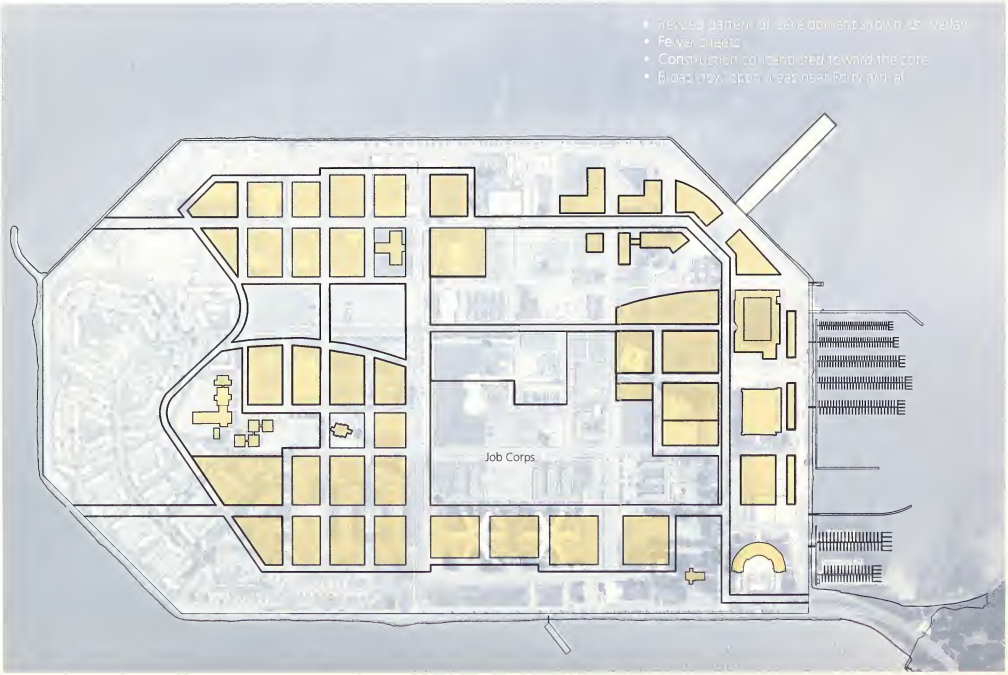
Table of Contents

Ferry Terminal Arrival	Provide more open space and linkages to the full system of waterfront spaces and activities at the ferry terminal arrival. Create an active commercial setting that invites people to Treasure Island.
Golden Gate District	Provide a major, permanent open space at the northwest of Treasure Island with no development past a certain boundary. Reduce the number of streets that intersect the park.
Island Core	Use the Serpentine to reinforce and facilitate visual and physical waterfront access. Move more housing into the Island Core.
Cityside District	Pull development footprint further back from the west shoreline, using the maximum setback distance in the previous plan as a guide for all structures.
East Bayside District	Pull development footprint further back from the east shoreline, using the maximum setback distance in the previous plan as a guide for all structures.
Yerba Buena Island	Consolidate development sites and protect views from the top of YBI.

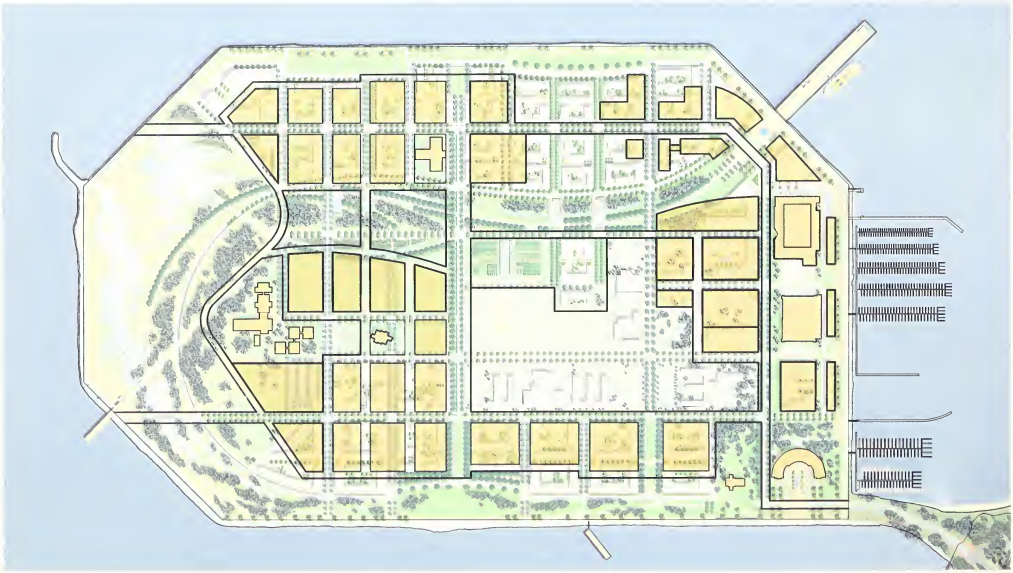
- Concentration of development towards the core
- Expansion of park area: shoreline, green links
- Major new park area and character near Ferry arrival
- Linking of cultural, educational, historic attractions



Concept Diagram - Treasure Island



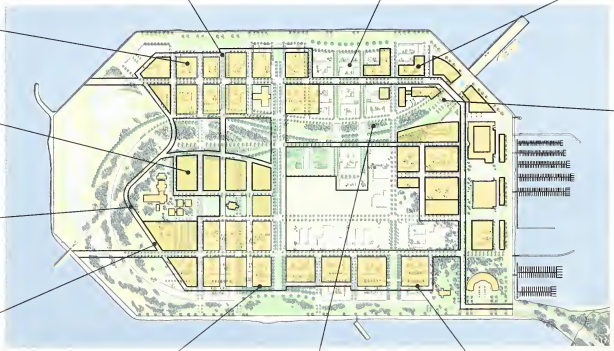
December 2003 Overlay - Comparison to Existing Conditions



December 2003 Overlay - Comparison to January 2003 Plan

- Reduced Streets by 12 percent
- Streets pulled back from shoreline
- Residential building setbacks increased

- Residential zone reduced by 6.4 acres
- Increase in open space of 26 acres
- Residential moved to interior of Island



December 2003 Overlay - Comparison to January 2003 Plan with Annotations

December 2003 Land Use

December 2003 Open Space

- Fewer linear feet of streets (12% reduction)
- Key elements - transit loops, links to shoreline - are maintained
- Primary pedestrian system expanded and reinforced

December 2003 Streets

- Illustration of new concept for public oriented use and major new open space uses
- A regional destination for enjoyment of TI/YBI
- Continued role serving local needs – access, service, retail
- Key features: 47-acre park, multiple links to shoreline, gathering areas, amphitheater, gardens, multiple viewing areas
- Extensive pedestrian pathway system

December 2003 - Illustrative Sketch of Ferry Arrival Area

YBI OPEN SPACES

YBI COAST GUARD AREA

PEDESTRIAN PATHS & TRAILS

HILL TOP OVERLOOK PARK

WATER ORIENTED DESTINATIONS & OVERLOOKS

HISTORIC ATTRACTIONS/ DESTINATIONS

- Open space linkage
- Focus new uses on existing developed areas
- Aggregation of developed areas
- Restoration of some disturbed areas
- Public open space at hilltop with maximized views out
- Preservation and reuse of historic buildings
- Access to waterfront and beach

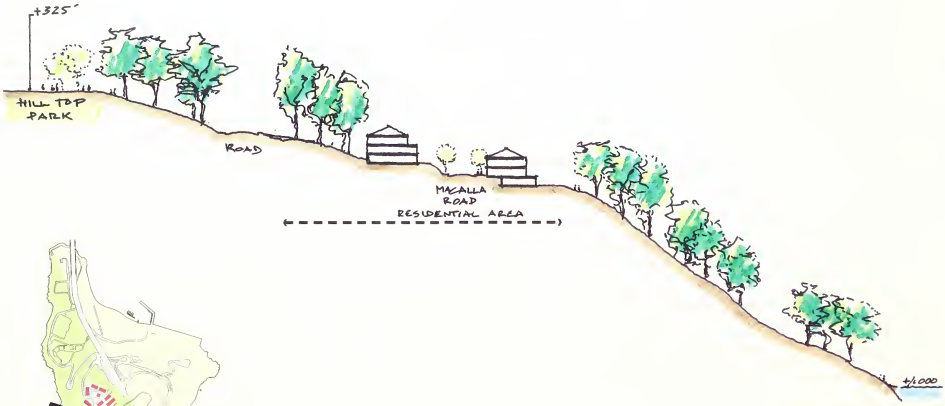
December 2003 Yerba Buena Concept Diagram

December 2003 - Overlay Comparison to January 2003 Plan

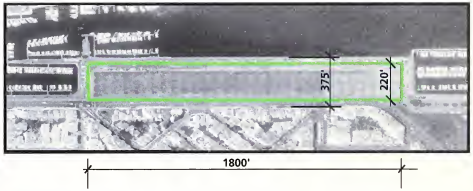
- Concentrated residential areas
- Expanded public use

Yerba Buena Land Use

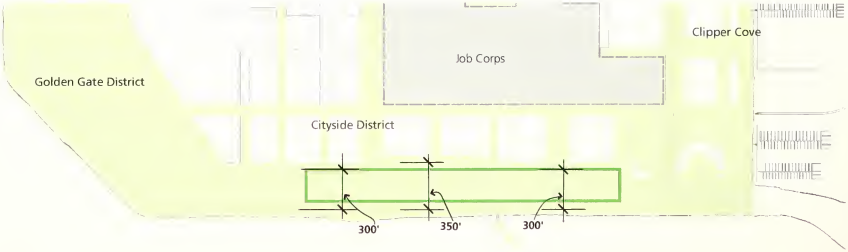
• A section through the east residential area looking west.



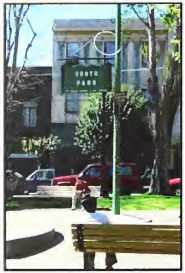
Yerba Buena Island - Section

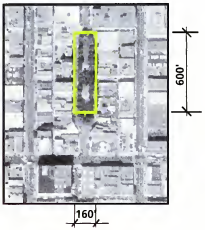


AERIAL VIEW OF MARINA GREEN

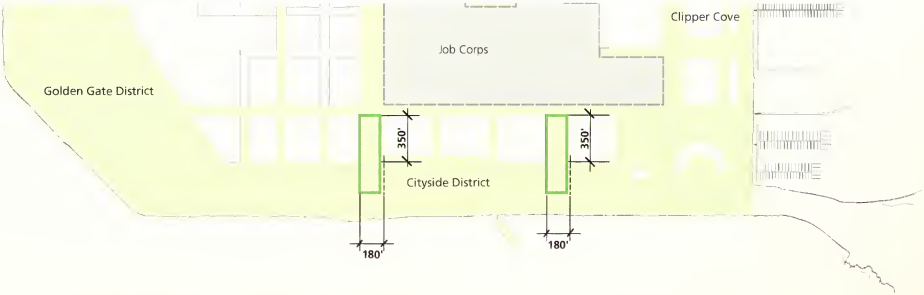


Treasure Island Open Space Comparison with Marina Green

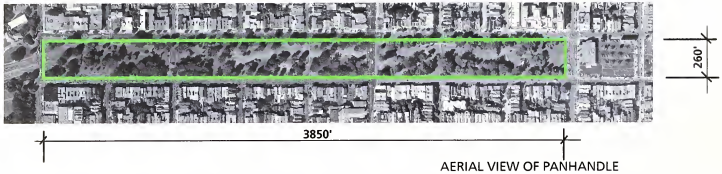




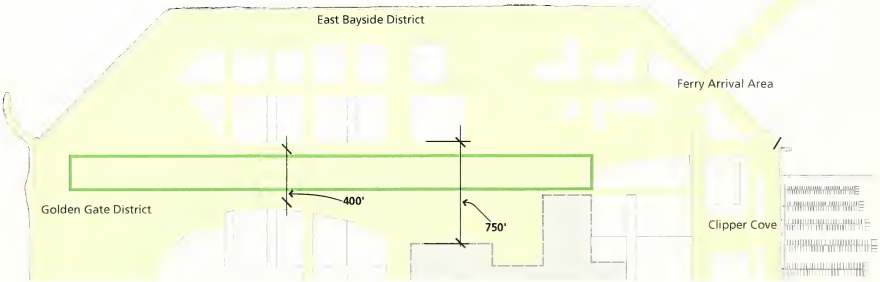
AERIAL VIEW OF SOUTH PARK



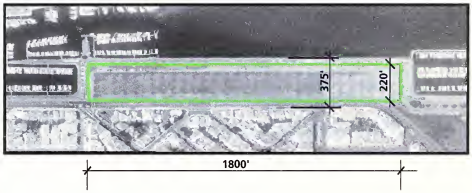
Treasure Island Open Space Comparison with South Park



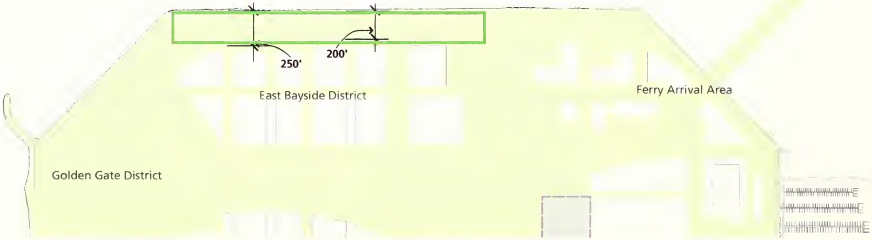
AERIAL VIEW OF PANHANDLE



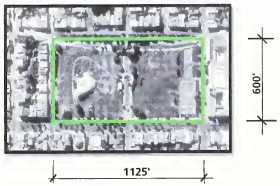
Treasure Island Open Space Comparison with the Panhandle



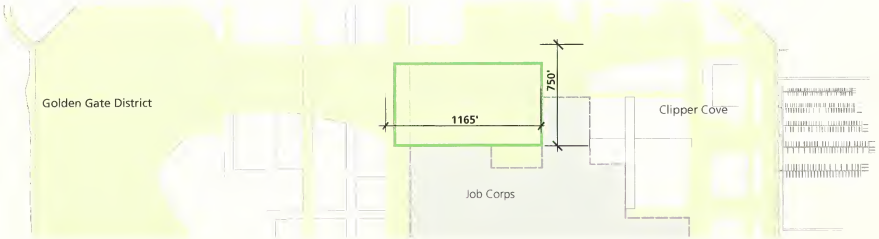
AERIAL VIEW OF MARINA GREEN



Treasure Island Open Space Comparison with Marina Green

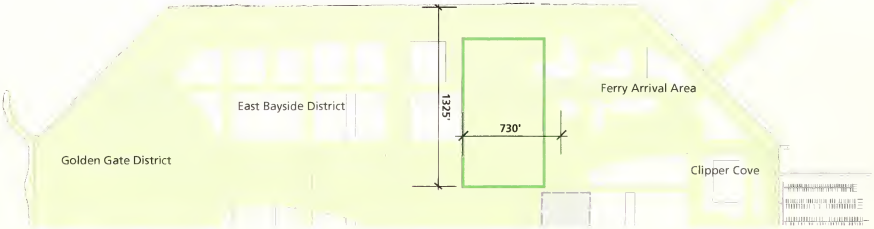


AERIAL VIEW OF DOLORES PARK

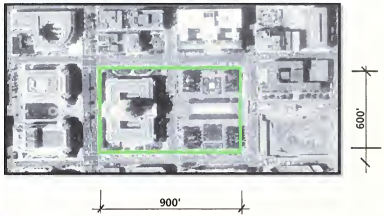


Treasure Island Open Space Comparison with Dolores Park

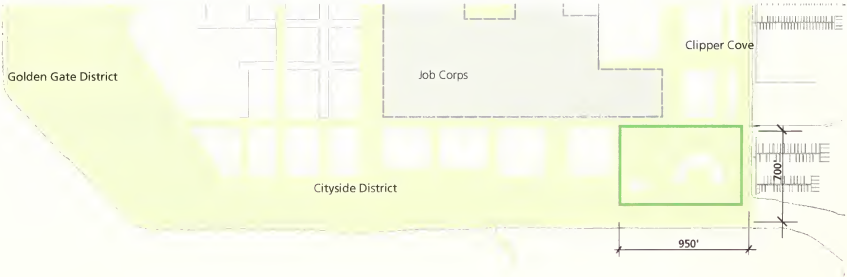
AERIAL VIEW OF DOLORES PARK



Treasure Island Open Space Comparison with Dolores Park



AERIAL VIEW OF CIVIC CENTER



Treasure Island Open Space Comparison with Civic Center

SITE PLAN OF CRISSY FIELD

Treasure Island Open Space Comparison with Crissy Field

Treasure Island Consistency with Tidelands Trust

Yerba Buena Island Consistency with Tidelands Trust

CITY & COUNTY OF SAN FRANCISCO

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GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
December 10, 2003

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. **Call to Order**: 1:45 PM

Roll Call Present: William Fazande (Vice-Chair)
John Elberling
Susan Po-Rufino
Marcia Rosen

Excused: Claudine Cheng (Chair)
Gerald Green
Douglas Wong

2. **Approval of Minutes:** Commissioner Fazande carried the item over to the end of the meeting

3. **Director's Report by Executive Director Annemarie Conroy**
Access and Public Use of Treasure Island: Many private events and parties scheduled for the holiday season
Environmental Cleanup: Nothing new to report
Short Term Leases: No new short term leases
San Francisco/Oakland Bay Bridge Issues: Nothing new to report
Community Issues: Next Treasure Island Community meeting is scheduled for December 18th.
Citizen's Advisory Board: Next meeting is December 17th.
TIHDI: Sherry Williams will report later
Finance Report: TIDA is "on track" with revenues and expenses
Legislation and Hearings Affecting Treasure Island: TIDA has an item before the Board of Supervisors Finance Committee regarding Board of Supervisors approval of the extension of the Cooperative Agreement with the U.S. Navy

4. Communications:
There were no communications received in the previous month

5. Ongoing Business by Directors:
There was no ongoing business discussed by the TIDA Board

6. General Public Comment:

Ms. Sherry Williams, of the Treasure Island Homeless Development Initiative, invited Commissioners to the opening of new Community Housing Partnership housing units on Treasure Island on December 16th. Stated that it is important for the public to know about the new supportive housing being created on Treasure Island that is helping families.

7. Mr. Stephen Proud, TIDA Deputy Director, presented a resolution authorizing the Executive Director to transfer a sublease for 44 housing units from Rubicon Programs to Rubicon Villages. Stated that this transfer is simply procedural as Rubicon Villages is the accredited housing provider of Rubicon Programs.

There was no public comment on this item

Commissioner Rosen motioned for approval
Commissioner Elberling seconded the motion
The resolution was approved unanimously

8. Mr. Stephen Proud, TIDA Deputy Director, gave a brief background of the development process to date and introduced Mr. Jay Wallace, Treasure Island Community Development.

Mr. Jay Wallace of Treasure Island Community Development presented the TICD Revised Concepts for the proposed development of Treasure Island. Revisions come from meetings with California State Lands Commission, Board of Supervisors Land Use Committee and Treasure Island Citizen's Advisory Board Meeting. Feels that many of these changes will help with viability of Tidelands Trust exchange before State Lands Commission. Housing on western shore moved back substantially to create large open space on western shoreline and move housing back into Island core. The shoreline promenade is enhanced on the eastern side of the Island as well as significant revisions to Clipper Cove and ferry terminal plaza, creates a more regional approach to ferry terminal than proposed before.

Ms. Karen Auschuler, of SMWM, spoke regarding changes to development plan. Next step is to make sure that Treasure Island is seen as an area with broad public use, both regional and local. Committed to park spaces as well as movement of housing to Island core to free up shoreline for public use. Also highest spaces of Yerba Buena Island given to public to ensure best views possible from Yerba Buena. Removal of residential units and limited number of buildings in ferry arrival site key to feel of public use and openness of space. The big idea is taking serpentine path idea and extending it throughout the ferry arrival area to create more open space. Path also links ferry terminal to the rest of the Island Clipper Cove district beyond ferry arrival area primarily unchanged. Linear feet of streets reduced by 12% throughout Island but

pedestrian connections enhanced. In Cityside district the housing has been pulled back from the shoreline to create a narrow band of north-south housing with a minimum of 350 feet in distance between shoreline and structures. Fewer streets passing through large park in middle of Island and serpentine path runs through more of core of Island. Core District expanded to take housing that is moved from other parts of Island. District works around existing school and provides wonderful access to the rest of the Island. Structures moved back from shoreline on East Bayside district as well. 250 foot minimum for distance between structures and shoreline on East Bayside side of Island.

Top of Yerba Buena Island now given over to public use. Housing removed to create new open space, development on next tier of Island down from top. Non trust compatible parts will have housing. Various open spaces on Island compare in size to many current open spaces in San Francisco, Cityside and East Bayside open spaces similar to size of Marina Green, several green areas comparable to South Park, Serpentine Path comparable to Golden Gate Park Panhandle, new park area created as extension of Serpentine Path to ferry terminal comparable to Dolores Park, open space surrounding Building One comparable to Civic Center Plaza and Golden Gate district park is brand new park addition. Stated she thinks they have achieved the goal of making Treasure Island a broad open space use location, especially a more open and lively set of activities right near the ferry terminal location.

Mr. Wallace stated that he would like to take any questions from the Commissioners. Also stated that even with the changes, they are still committed to the same number of housing units as previously, as well as committed to affordable housing, wetlands treatment in Phase One and retention of historic structures. Plan has changed but main themes for redevelopment still resonate.

Commissioner Rosen asked about a comparison of the previous housing footprints compared to the housing footprints with the revised concepts. Also asked whether having the same number of units in a reduced footprint has any impact on height, bulk or density of housing. Stated there is no real representation of the residential environment, only the quality of open space.

Mr. Wallace stated he doesn't have the number of residential acreage change in front of him, stated he believes the acreage was reduced by 6 acres from 82 acres to 76 acres. The previous plan was approximately 40 dwelling units per acre whereas now it is approximately 42 to 43 dwelling units per acre. Possible to have some higher units on stronger parts of the Island but primarily the housing will be 2 to 4 story podium units. Density is increased but the height and bulk remain relatively unchanged.
Ms. Auschuler stated there will be a different balance of units than before, but they haven't done a detailed block by block re-allocation of the housing.

Commissioner Rosen stated she believes a much more detailed discussion is needed for the future of the quality of the residential areas and how the changes will affect the design structure as well as the unit mix of housing and implications of keeping parking ratio and other issues. Stated she also likes the way the familiar public spaces are provided to compare size and asked that TICD do a composite for Yerba Buena and Treasure Islands so they can see the public spaces in relation to the whole Island in order for the public to see what a great public asset this

can be. Asked TIDA staff to lay out previous public comments and how the revised concepts do or don't conform to areas of commonality from various public comments on the proposed development plans.

Commissioner Elberling asked what the acreage change of usable open space is between the past and current plans. Also asked if revisions change projected development cost.

Ms. Auschuler stated that on Treasure Island there are 6 acres less of residential and 26 acres of public space. This increase in public space comes from less acres of residential as well as fewer acres of streets.
Mr. Wallace stated that new pro-formas are still being tested however they still remain confident the project will still work for TICD and the City. Some numbers on the affordable housing piece will be changing with the pro-forma.

Commissioner Po-Rufino asked if the total square footage for the housing units remains the same.

Mr. Wallace stated that by higher density on Treasure Island as well as a few more acres of housing on Yerba Buena Island allows the plan to remain the same.

Commissioner Fazande asked what the plan is for the sewage plan on Treasure Island. Contends that if there is a problem on Treasure Island the residents will have a problem if the sewage can't be pumped off the Island as is TICD's plan.

Mr. Wallace stated that there is a wastewater treatment study that has been submitted and will be available for review at the next TIDA meeting. Alternatives have been studied and there are good reasons for both off and on-site sewage treatment, not going to speculate on the decision, it is a policy debate for the Commission.

Public Comment
Ms. Ruth Gravanis stated that she hoped staff reports would focus more on the next steps of this process. Hoping there will be opportunities for public comment on possible legislation for the Tidelands Trust exchange.
City Attorney Michael Cohen stated that legislation must be submitted in January, 2004 but it is a placeholder and is similar to legislation for Hunters Point and Mission Bay. Hearings that require a finalized map are not until sometime in March. Plan is responsive to extremely specific requests made by State Lands Commission staff.

Ms. Eve Bach, of ARC Ecology, stated that she is worried because the baseline being used is the previous plan instead of the City's plan or TIDA's plan. Upset because she feels there has not been an ample public planning process. Feels that the current plan has moved far away from the original reuse plan.

9. Commissioner Elberling requested presentation from staff about strategic planning for organizational structure of TIDA. This will make it easier for TIDA to negotiate a final deal once TIDA knows what its implicit duties are.

Commissioner Rosen requested information on bond revenue slated for improvement of Treasure Island School. Capital improvement to school can enhance surrounding community as well. Requested future update on what school is planning for future.

(*Continued*) **2.** The minutes were not approved because there was not a quorum present of Commissioners who had attended the previous meeting to approve the minutes.

Commissioner Fazande motioned to carry over the minutes to the January, 2004 meeting.

The minutes were continued for approval to the January, 2004 Treasure Island Development Authority meeting.

10. The meeting was adjourned at 2:40 PM